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ABSTRACT

This workbook addresses the need for information and guidance that can help states and communities meet the short-term and long-term challenges of developing community-oriented financing for early intervention and preschool special education services. It is intended for state officials, advocates, and task force members who carry out or assist with financial planning on a statewide, regional, or local community basis. An introductory chapter provides background information on the provisions of the Education of the Handicapped Act Amendments 1986 (Public Law 99-457) that relate to financing, followed by a chapter which provides an overview of the planning and implementation process. The workbook then presents a seven-step interagency planning and implementation process. The steps are: (1) involving key stakeholders and advocates in the planning process; (2) charting the course with a vision of an ideal service system; (3) defining the comprehensive service system; (4) identifying the existing service and financing system; (5) identifying and analyzing problem areas in the existing system; (6) developing strategies for changing the financing system; and (7) implementing changes in the financing and delivery system. Appendices contain: (1) a financing matrix designed to help states and communities to structure a systematic approach to understanding the interrelationships between a state's various financing resources and its system of services; (2) an annotated list of federal and other potential funding resources; and (3) a list of 28 additional resource materials. (JDD)

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NEC*TAS FINANCING WORKBOOK

AN INTERAGENCY PROCESS FOR PLANNING AND IMPLEMENTING A FINANCING SYSTEM FOR EARLY INTERVENTION AND PRESCHOOL SERVICES

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National Early Childhood Technical Assistance System

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National Early Childhood Technical Assistance System

NEC*TAS

is a collaborative system
coordinated by the

Frank Porter Graham Child Development Center
The University of North Carolina at Chapel Hill

with

Department of Special Education, University of Hawaii at Manoa

Georgetown University Child Development Center

National Association of State Directors of Special Education (NASDSE)

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In February of 1989 NEC*TAS convened a panel of experts in the area of financing services for young children with special needs and their families. This workgroup met for two days to determine the essential elements for putting together a financing system for P.L. 99-457, the Education of the Handicapped Act (EHA) Amendments of 1986, both Part H, the Infants and Toddlers Grant Program, and Part B, Section 619, Preschool Grant Program.

Workgroup members consisted of federal, state, and local agency representatives, from both education and health; parents; university faculty; consultants; and advocates. Members of the workgroup and their professional affiliations are listed below:

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Sarah Williams, a writer and editor, and my coauthor for this workbook, did a remarkable job of getting through two days of discussions by the workgroup and transforming their ideas and expertise into a concise and readable text. Sally then worked with us over a long period of time to refine, improve and reorganize the text.

The original idea for producing the workbook came from Tal Black in response to states' requests for assistance in financing services. In particular, he

generated the idea of a planning matrix and produced the first few iterations of the matrix, the current version of which is included in Appendix A.

Sharon Walsh and Roxane Kaufmann deserve special recognition for their patience and perseverance as they developed, reviewed, and commented on detailed outlines and drafts of the workbook. Sharon's knowledge of federal and state education financing, as well as Congressional intent for P.L. 99-457, was particularly important to the process. Roxane never let us forget that the family was the most important component of any system of early intervention and preschool services.

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Donald A. Kates

CHAPTER 1

INTRODUCTION

Workbook Objectives

States and communities face many challenges as they seek to fulfill both the requirements and the promise contained in P.L. 99-457, the Education of the Handicapped Act Amendments of 1986, but none is more important and formidable than the challenge of financing the early intervention and preschool special education service system called for in this landmark federal legislation. Children and their families need a wide range of services, and the funds to provide those services can come from many different sources -- public and private, federal, state, and local. How these various sources can best be identified and coordinated, and how a funding system can be assembled which is sufficient to meet the needs of states, communities, and families are major challenges that must be faced.

Failing to meet the challenges of financing could easily pre-empt a state from being able to come to terms with other important issues, and could effectively derail the progress a state has already achieved in establishing a comprehensive system of services for children with special needs from birth through five years of age and their families. Moreover, the challenges of financing will not disappear even when the state finds the financial wherewithal to pay for the system of services it has committed itself to provide. They will return in some form whenever a state considers its annual appropriations, with each change in relevant federal policy, and with each fluctuation in the state's economy. Right now, and for the long term, the

need to plan for the financing of early intervention and preschool special education services is critical to the success of P.L. 99-457.

The National Early Childhood Technical Assistance System (NEC*TAS) was created in part to assist states in building comprehensive systems of services for infants, toddlers, and preschoolers with special needs and their families. Funded by the U.S. Department of Education's Office of Special Education Programs, NEC*TAS provides technical assistance to states to help in the planning and implementation of P.L. 99-457. NEC*TAS surveyed each state's needs for technical assistance and found that the issue of financing is a top priority.

In January 1989 NEC*TAS established a Financing Workgroup, composed of experts on special education and health financing, to help develop guidance materials for states and consultants to use in designing and implementing state financing systems for early intervention and preschool special education services. This workbook is one outcome of that Financing Workgroup's efforts.

This workbook addresses the need to provide information and guidance that can help states and communities meet the short- and long-term challenges of financing early intervention and preschool special education services. It is intended for those within the state who share responsibility for such financial planning on a statewide basis, such as staff from the state's lead agency for early intervention services, staff from the state department of education responsible for preschool special education, the interagency coordinating council appointed by the governor under P.L. 99-457, other state agencies and interagency planning groups, parents and advocates charged with assisting state level planning efforts, and state legislative committees or task forces.

This workbook also is designed to guide those responsible for planning and coordinating financing at a regional or local community level. The interagency planning process described here is applicable to the challenge of developing community-oriented financing for early intervention and preschool special education services.

Workbook Format

This workbook is based upon some key assumptions. The first assumption is that nothing is free. A state must determine how it will pay for each component of its comprehensive system of services. The second assumption is that in any financing plan all existing financing resources ought to be identified, understood, and fully utilized as a prerequisite and context for seeking new resources. The third assumption is that this workbook is intended for use by representatives of state and community agencies working together, along with families and advocates, rather than being used in isolation by one individual or a single agency. Interagency collaboration is essential to the success of any process of planning and implementing a financing system for early intervention and preschool special education services. A plan for a financing system conceived in isolation or with little participation by those who have a stake in the planning decisions will have a difficult time at best gaining the base of support needed to achieve its goals.

The workbook describes a seven-step interagency planning and implementation process:

- Involving Key Stakeholders and Advocates in the Planning Process

- Charting Your Course with a Vision of an Ideal Service System
- Defining the Comprehensive Service System
- Identifying the Existing Service and Financing System
- Identifying and Analyzing Problem Areas in the Existing System
- Developing Strategies for Changing the Financing System
- Implementing Changes in Financing and Delivery System

This chapter contains background information on P.L. 99-457 to inform the reader of the key provisions of the law that shape, to some extent, the financing challenges. The next chapter presents an overview of the planning and implementation process. Subsequent chapters are organized to correspond with the sequence of steps taken in planning and implementing a statewide, regional, or local financing system.

Other planning and resource materials in the workbook are contained in its appendices. They include a financing matrix (Appendix A) that helps structure a systematic approach to understanding the interrelationships between a state's various financing resources and its system of services, an annotated list of federal and other potential funding resources (Appendix B) that a state might access to help pay for its service system, and a list of additional resource material (Appendix C).

To use this workbook effectively we recommend that it be read from start to finish so that readers can appreciate the entire process described. Then, as various aspects of the process are carried out, the workbook should function as a guide and reference for whatever is being done. Sections of this workbook can be copied and

shared at the discretion of the reader and the reader is encouraged to do so. While this workbook can serve as a general guide for states and communities to follow, each planning committee must adapt the process described here to fit its own needs.

Background

In 1986 Congress enacted P.L. 99-457, the Education of the Handicapped Act Amendments of 1986.* The legislation amended the Education of the Handicapped Act (EHA) to, among other things, create a new state grant program (Part H) for infants and toddlers with handicaps, birth through age 2, and their families, and to replace the preschool grants program authorized by P.L. 94-142 with a new program (Part B, Section 619) for children with disabilities, ages 3 through 5. The grant programs authorized by the EHA Amendments give states the opportunity to provide intervention services to children with handicaps and their families at a critical period in their lives to make a sound investment in their futures. Both programs allow states up to four years to phase in all requirements of the law.

In adopting this legislation, Congress intended that designated state agencies (for children from birth through age 2) and state education agencies (for children ages 3 through 5) assure, but not necessarily pay for, all early intervention, special education and related services needed by young children and their families. In addition, the amendments clarified Congressional intent on the financial responsi-

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*In October of 1990 the Congress again amended the Education of Handicapped Act (EHA), including changing its name to the Individuals with Disabilities Education Act (IDEA). Minor changes were made to Part H and Part B, but these have not been incorporated here.

bility for the provision of special education and related services for children ages 3 through 21 years.

Under the Part H program, the U.S. Department of Education provides financial assistance to states for the planning and implementation of a comprehensive, interagency, collaborative statewide system of family-centered early intervention services for all eligible infants and toddlers[1]. A state may, at its discretion, include an "at risk" population in its definition of eligible children. This grant program also is intended to "facilitate the coordination of payments for early intervention services from [various public] and private sources" and to "enhance [the] capacity to provide quality early intervention services and expand and improve existing . . . services." (20 U.S.C. §1471(b))

To qualify for financial assistance in the first two years of the Part H program, a state must designate a lead agency with the overall responsibility for administering the program, and establish a State Interagency Coordinating Council, composed of parents, providers and agency representatives, to assist in the development of the required statewide system. By the third year the state must adopt a policy that incorporates all of the components of a statewide system of early intervention services, as spelled out in the law. By the beginning of the fourth year, the 14 components required by Part H must be in place including Child Find, multidisciplinary assessment, case management, the development of an individual

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[1]The law defines "handicapped infants and toddlers" as children from birth through age 2 who require early intervention services because they "(A) are experiencing developmental delays, as measured by appropriate diagnostic instruments and procedures in one or more of the following areas: Cognitive development, physical development, language and speech development, psychosocial development, or self-help skills, or (B) have a diagnosed physical or mental condition which has a high probability of resulting in developmental delay." 20 U.S.C.§1472(1)

family service plan (IFSP), and appropriate procedural safeguards. The law allows the state to delay full implementation of the services contained in the individualized family service plan (IFSP) until the beginning of year 5. In order to continue receiving assistance in the fifth and all succeeding years, the state must provide assurances that appropriate early intervention services are available to all infants and toddlers with disabilities and their families who are eligible under the state's definition.

The preschool grants program, as amended by P.L. 99-457, offers states financial incentives to provide special education and related services to children with disabilities, ages 3 through 5.[2] By school year 1991-92, a state must assure the provision of a free, appropriate public education (FAPE) in the least restrictive environment to all preschoolers identified as disabilities or be subject to the sanctions provided in federal statute. These sanctions include the loss of EHA Section 619 preschool grant funds; EHA Part B state grant funds for children 3 through 5 years of age; funds under Chapter I - Handicapped for children 3 through 5 years of age; and certain discretionary funds under EHA, Parts C-G, which relate exclusively to programs, projects, and activities pertaining to children ages 3 through 5. Prior to the enactment of P.L. 99-457, many states had statutes mandating education services at age 3 to children who were disabilities while other states or communities had permissive programs for 3 through 5 year old children.

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[2]The term "children with disabilities" means mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, severely emotionally disturbed, orthopedically impaired, or other health impaired, or children with specific learning disabilities, who by reason thereof require special education and related services. 20 U.S.C. § 1401(a)(1) (For children ages 3 through 5, states are not required to report children with disabilities according to one of these categories, but solely as "disabled.")

The federal fiscal contribution for both the early intervention and the preschool programs under EHA is small compared to the total cost of providing services. The intent of these two funding streams is to support the planning of service systems and to assist in paying for some direct service provision. A state is responsible for identifying and using other sources of funds -- federal, state and local, both public and private -- to create and maintain a comprehensive, coordinated interagency statewide service delivery system. This task is enormous and the timelines established in the law are short. If some states are not able to meet the timelines and requirements in either or both programs, eligible children and their families could lose access to many essential early intervention and preschool services.

But more important perhaps is the potential of the legislation to have a very positive impact on children and their families. By taking advantage of the multiple sources of federal assistance available, a state can develop and implement a statewide system of comprehensive, coordinated services to meet the needs of all infants, toddlers and preschoolers with special needs, and their families.

In planning and organizing its system for children with special needs and their families, a state may choose to plan separately for infants and toddlers, birth through age 2, and for preschoolers, ages 3 through 5; or they may plan for both age groups together. While all states provide at least some of the services needed by these children, efforts often have been uncoordinated and piecemeal. In the past, many states had not yet taken concrete steps to plan and develop a single, comprehensive, coordinated system. The law now provides every state with the impetus not only to plan for such a system, but also to put those plans into action.

The population to be served under P.L. 99-457 has been variously described as "infants, toddlers, and preschoolers with disabilities and their families," "young children with special needs," "young children at risk for handicaps and their families," "young children with chronic health conditions," etc. States must come up with their own definition of the children deemed eligible. While families are not included in the definition of eligibility, once the child is determined to be eligible for Part H services, the family becomes part of the population to be served. In defining the eligible population, however, states must adhere to the regulations that apply to that age group. They also must take into account the resource (fiscal, personnel, service) constraints within the state. Therefore, throughout this workbook the phrase "children and their families" will be used to refer to the population each state has defined as being eligible.

Funding Provisions in P.L. 99-457

P.L. 99-457 included a number of provisions relating specifically to the financing of services for eligible children, both early intervention services for infants, toddlers and their families under the new Part H program, and special education and related services for older children, including preschool programs for children ages 3 through 5, and their families.

Part H Funding

Under the Part H grant program, a state can receive federal financial assistance to develop and implement a statewide system of early intervention services. Section 676 of the EHA (20 U.S.C. §1476) lists the minimum components that such a system must have, including the following requirements relating to financing:

- a single line of authority in an agency designated by the governor, with ultimate responsibility for (1) administering, supervising and monitoring programs, (2) identifying and coordinating all available resources within the state from public and private sources, (3) assigning financial responsibility to the appropriate agency, (4) developing procedures for ensuring the provision of services pending the resolution of disputes among agencies or providers, (5) resolving interagency and intraagency disputes; and (6) entering into formal interagency agreements that define each agency's responsibility for paying for early intervention services and that include procedures for resolving disputes;
- a policy relating to the contracting or making of other arrangements with local service providers; and
- a procedure for securing timely reimbursement of funds.

In addition to using EHA Part H grant funds to plan, develop and implement the required statewide system, a state may use the money:

- for direct services for handicapped infants and toddlers who are not otherwise covered under other public and private programs; and
- for expansion and improvement of services that are already available.

Although Sections 679 and 681 of the EHA allows Part H funds to be used for the general expansion and improvement of services, they are to be the *payor of last resort* for the provision of direct services. A state may not use these grant funds to pay for services that other public or private sources can pay for or are paying for now. However, a state may use the funds to payq for a particular early intervention service for a child or family if there would otherwise be a delay in obtaining that

service. These EHA Part H funds are to be subsequently reimbursed by the agency having ultimate financial responsibility.

In addition, a state is not permitted to reduce medical or other assistance available or to alter eligibility under the Social Security Act's Maternal and Child Health program (Title V) or Medicaid program (Title XIX).

Part B, Section 619 Funding

Title II of the 1986 amendments replaced the preschool grant program authorized by Part B of EHA with a new grant program for children with handicaps, ages 3 through 5 (Section 619), and their families, providing incentives for states to serve eligible preschool-age children and to establish a policy to assure a free, appropriate public education to all eligible children by school year 1991-1992. The accompanying report states that an Individual Educational Program (IEP) for preschoolers may include instruction for parents so that they can be active and knowledgeable in assisting their child's progress, if they desire such training. Also included in this title are provisions on the financing of special education and related services for all children with disabilities, ages 3 through 21, including those preschoolers covered under the EHA, Part B, Section 619 grant program.

P.L. 99-457 extended and strengthened an earlier provision to require states to provide satisfactory assurances that EHA's Part B funds will be used to *supplement* and increase the level of federal, state and local funds (including funds not directly controlled by the state or local educational agency) available for special education and related services, and *will not* be used to *supplant* these other funds. Congress' intent under this provision was that Part B funds not be used to pay for services that other agencies would have funded otherwise.

A new requirement is added for states to establish policies and procedures for developing and implementing interagency agreements between the state educational agency (SEA) and other appropriate state and local agencies to define the respective financial responsibility of each agency for providing services to children with handicaps. The agreements must also specify procedures for resolving interagency disputes over financing.

These amendments also reiterate Congress' intent that a state may *not* reduce medical or other benefits available to children with special needs or alter their eligibility under Title V (Maternal and Child Health and Programs for Children with Special Health Care Needs [formerly "Crippled Children Services"]) or Title XIX (Medicaid) of the Social Security Act, on the ground that EHA makes educational agencies responsible for assuring that children with handicaps receive special education and related services. To the extent that any child with disabilities meets the eligibility requirements of Titles V or XIX, the state is not permitted to deny services available under these programs.

CHAPTER 2

OVERVIEW OF THE PLANNING AND IMPLEMENTATION PROCESS

Steps in the Process

The process states and communities follow in planning and implementing a financing system for early intervention and preschool services involves a series of steps, which are described in subsequent chapters of this workbook (see Figure 1).

The process begins with the formation of the planning committee composed of representatives of all state and community financing and service agencies, as well as families and advocacy groups, as described in Chapter 3. The committee then must work to build support for its decisions from interest groups at both the state and local levels.

The committee's first order of business is to chart the course it will follow, as described in Chapter 4. It must reach agreement on its mission and its vision of an ideal service system, based on certain principles about the nature of a comprehensive system for children with disabilities and their families. The planning committee can examine products or documents previously produced by the ICC or other task forces to see if they contain a mission or set of principles for such a service system.

Chapter 5 then asks the committee to define the specific population the envisioned system is intended to serve and to delineate the individual services

FIGURE 1

STEPS IN THE PROCESS OF PLANNING AND IMPLEMENTING A FINANCING SYSTEM FOR EARLY INTERVENTION AND PRESCHOOL SERVICES

INVOLVE KEY STAKEHOLDERS AND ADVOCATES IN THE PLANNING PROCESS
Form a Planning Committee
Build Advocacy and Support for Policy Decisions

CHART YOUR COURSE WITH A VISION OF AN IDEAL SERVICE SYSTEM
Develop a Shared Vision
Agree on Guiding Principles for the Planning Process

DEFINE THE COMPREHENSIVE SERVICE SYSTEM
Define Target Population
Identify Services Needed

IDENTIFY THE EXISTING SERVICE AND FINANCING SYSTEM
Inventory Services Currently in Place
Inventory Current Funding Sources
Consolidate Inventory into Two-Dimensional System

IDENTIFY AND ANALYZE PROBLEM AREAS IN THE EXISTING SYSTEM
Identify Gaps, Duplications, and Other Problems
Analyze Issues and Problems

DEVELOP STRATEGIES FOR CHANGING THE FINANCING SYSTEM
Set Realistic Priorities
Define the Political and Fiscal Environment
Write a Plan for Strategic Changes
Finalize Interagency Working Agreements

IMPLEMENT CHANGES IN THE SERVICE AND FINANCING SYSTEM
Effect Changes in Implementation Plan
Publicize Policy and Legislative Changes
Monitor and Evaluate Program Changes

components in the system that will address the needs of the target population. The next task is to identify the services that already exist and the funding sources that already are available. These many different sources are then pulled together into a single financing system that can pay for all the services in the ideal service system. The matrix in Appendix A can be used to help in this endeavor. Refer to the discussion in Chapters 6 and 7 and at the beginning of Appendix A.

In the next step, the committee identifies and analyzes areas in the existing system where gaps, overlaps, and other problems exist. From this analysis the committee can then determine what changes are needed to correct the problems, decide on the financing options to pursue, and develop strategies for implementing the recommended changes. These steps are described in Chapters 6 through 8.

The final steps in the process are to work toward implementation of the changes in the financing and delivery system, and to monitor and evaluate the changes over time, as discussed in Chapter 9.

The specific steps outlined in this workbook were suggested by the NEC*TAS Financing Workgroup as a guide and may not be appropriate for all states or communities. Each planning committee may need to adapt this outline to fit its own needs. In some cases planners may want to eliminate a step, add a step, or follow a different order. The important thing is to stay on track, to move efficiently through the planning and development process so that the system needed to finance early intervention and preschool services for eligible children and their families can be put into operation as soon as possible.

Principles for the Planning Process

Although planning committees are free to revise these steps as they see fit, there are certain fundamental principles about the planning process that committee members should always keep in mind. The following principles reflect the experience of the members of the NEC*TAS Financing Workgroup who have been part of many successful similar planning efforts:

- *The planning process should provide for multi-agency collaboration.*

  Because many different agencies at the state and local level provide and fund services for children and their families, collaboration among involved agencies and providers is essential throughout the process, from the early planning stages to implementation of a service and financing system. Participants in this planning process must be able to explain their own programs and define any unique terminology to representatives of other agencies. They also must be willing to learn about and understand the others' programs and terminology. For many, this will require learning a new "language."

  Agency representatives involved in developing a financing system must work to identify and resolve any differences, and to agree on a joint commitment to developing an effective system of services for all eligible children and their families. All representatives must be given equal respect within the planning group. When cooperative efforts are successful, the planning group can maximize each individual member's own resources and

can build a strong, statewide, grass-roots power base for securing political support for funding and program changes.

- ***The planning process should provide for community and family involvement.***

Developing a statewide system with a family and community focus requires the participation of representatives from local agencies, families, and advocates in the planning process. Interaction between the state and the community should be continuous so that local agencies can begin to build a system of care at the community level, without having to wait until the state system is fully implemented.

- ***The planning process can be done incrementally when it is based on a comprehensive, long-range plan.***

The ultimate goal of the process should be a service and financing system for all eligible children with disabilities, and their families. The prospect of developing such a comprehensive service system may seem overwhelming. Such a system, however, does not have to be established all at once. It can be developed in stages and incremental steps, based on a long-range plan, with an emphasis on building upon services that currently exist in the state or community. A long-range plan presents a framework that allows action to be taken in a thoughtful, planned manner when the opportunity is available. It may, for example, be important to focus some of your early efforts on service and financing system components that are relatively easy to put into place and that can produce early and clearly visible results. This helps to build momentum for further implementation of program changes. For example,

one of your initial steps could be to discuss agreements with voluntary community service agencies, such as Easter Seal, United Cerebral Palsy, and the Association for Retarded Citizens, to coordinate resources, both financing and service delivery. In addition, Head Start programs may be able to use some of their own funds to serve an eligible child in an integrated setting.

- ***Planning for a system should include an ongoing evaluation process.***

The planning process is continuous and should include steps for maintaining and refining the system after it has been put into place. Members of a state Interagency Coordinating Council or local planning body should not consider their business concluded once the system is underway, but should continue to meet to assess the outcome of their efforts and to redefine their goals. Planners must also make sure that the agencies with responsibility for coordinating and managing the system are doing their jobs.

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CHAPTER 3

INVOLVING KEY STAKEHOLDERS AND ADVOCATES IN THE PLANNING PROCESS

Form a Planning Committee

The first step in the process of planning and developing a coordinated financing system is for the state government -- the governor, the legislature, the Interagency Coordinating Council (ICC), the lead agency, or existing interagency planning groups -- to form a planning committee or recharter an existing one. This committee's overall purpose will be to formulate a plan for developing a financing system and to oversee the plan's implementation. If planning is for a local or sub-state area, such a committee still must be formed. The committee's specific purpose, functions and responsibilities should be spelled out in a formal charge from the chartering governmental body, agency, ICC, or official. It may be necessary later to establish subcommittees to look at a particular issue in detail. In this preliminary stage, however, the committee should focus on the bigger, "systemwide" picture and not be side-tracked by specific issues or tasks.

While there is no ideal size of the planning group, the need for broad representation must be balanced with the need for efficiency and effectiveness. Therefore, keep the group size manageable and use subcommittees to include additional representation.

To ensure that all viewpoints are considered during the decisionmaking process, this committee must include representatives from public and private

financing and service agencies, at both the state and local levels, as well as families and advocacy groups. In addition to public agencies, providers and advocacy groups may include voluntary agencies, such as United Cerebral Palsy, Easter Seal, and Association for Retarded Citizens; providers of services to children without apparent handicaps, such as day care providers, preschools, nursery schools, and associations for the education of young children; and family and community service agencies; health care insurance companies; and professional associations. These entities should be considered for inclusion on the committee or subcommittees because they represent opinions and viewpoints that can enhance the system. All stakeholders must have a voice throughout the entire process, beginning with this preliminary planning stage.

When assigning individuals to the overall planning committee and later to subcommittees, take into account the existing political situation. If the governor, or a mayor, has shown an interest in children with special needs, for example, be sure to include a representative from the governor's or mayor's staff. Similarly, invite legislators or councilmembers who have supported early intervention and preschool programs in the past -- or their staff -- to join the committee. Such individuals have the political clout to turn policy proposals into action. Many states recommend including a staff representative from the governor's budget or finance office and a staff representative from the legislative budget or appropriations committee.

Efforts must be made throughout the process to promote collaboration among these different parties. The importance of the concept of a multi-agency partnership cannot be overstated. Before the committee gets underway, the policy and procedures for interagency coordination should be spelled out and agreed to by all

participants. In some cases, formal interagency agreements that spell out each agency's role in the planning process and their commitment to developing a financing system may be helpful to facilitate cooperation between representatives of two or more government bodies.

Another variable to consider is the personalities of potential committee members. Sometimes an individual's attitude and behavior can profoundly affect the general outlook of the group, in a positive way as well as in a negative way. One especially personable and enthusiastic member of a committee can instill enthusiasm in the other members; conversely, overly negative attitudes and behaviors and/or excessive anxiety can antagonize the whole group and bring all progress to a halt. If personality conflicts or turf battles arise at any point in the committee's deliberations, the committee may find it helpful to review its planning principles (see discussion in the next chapter) and/or use an outside consultant to mediate these differences and renew the spirit of cooperation.

Build Advocacy and Support for Policy Decisions

Include in the planning process mechanisms for building advocacy and support for policy decisions at both the state and community levels. Ongoing participation of all stakeholders -- including parents of children with special needs -- on the state planning committee, as discussed above, is a prerequisite to garnering their support. But don't stop there, and don't wait until the finished product is unveiled to seek the backing of interest groups. Take steps to inform interested parties and constituencies of the issues being discussed and provide opportunities for public comments during all stages of the process, particularly in this preliminary planning stage. For example, committees could hold statewide forums to allow

individuals in local areas to comment. A number of sites across the state could be selected for public meetings to solicit input and comments from parents, providers, local and state policy makers, and advocacy groups.

It is especially important to have ongoing communication with community organizations and family advocacy groups. Because their support is critical, you must solicit their views, as well as keep them apprised of the planning activities. One way to ensure such involvement is to establish specific procedures for each committee representative to report committee activities to his or her constituency, solicit comments from constituents, and provide that feedback to the committee. Such activities may be time consuming and may slow down progress. The committee should build this communication process into the plans and timelines from the beginning.

Some states have helped to build support for their planning efforts by linking these activities with other initiatives in the state that have been successful or are likely to succeed. For example, when Utah engaged in a two-plus year effort to make changes in its Medicaid state plan to broaden EPSDT services and to institute the targeted case management option, planners represented children of all ages, not just birth through age 2, or birth through age 5.

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CHAPTER 4

CHARTING YOUR COURSE WITH A VISION OF AN IDEAL SERVICE SYSTEM

After the structural and administrative matters have been taken care of, the members of the planning committee must decide on the course they will follow. They must reach accord on the committee's goals for planning this financing system. To accomplish this task, the committee must reach an understanding of a shared vision of an ideal service system for children with disabilities and their families, and on the committee's role in realizing that vision.

Develop a Shared Vision

The committee first should attempt to reach a consensus which combines their individual perspectives on a model service system. If a written statement of mission has not been previously developed, then the committee should draft a joint vision statement. With their diverse points of view, members will likely have their own very different visions of how a system should look. These multiple perspectives must somehow be reconciled so that the end product is a composite picture of an ideal service system, a vision shared among all the members.

Developing such a mutual understanding is not a simple task, even when a formal vision statement has already been developed and embraced by the state. Because of their differing perspectives, agreement among all representatives may be difficult to achieve. It may take several meetings before participants can agree. A retreat format may be helpful, allowing members several days to become acquainted

with each other and to discuss their concerns and goals. An outside facilitator, one not associated with any particular agency, could help work through this process.

This vision, once established, will be the basis for agreeing on goals for committee deliberations and the financing plan they will develop. The goals may correspond with the steps in the process outlined in this workbook, but, in any case, they will flow from the joint vision.

Agree on Guiding Principles for the Planning Process

In envisioning this ideal comprehensive service system for children and their families, participants in the planning process should first agree on the overall principles that will guide their deliberations. They must make some basic judgments about the nature of such a system and define the underlying philosophy that they believe should govern its operation. Addressing and resolving their differences at the beginning of the process will make it possible to establish a shared commitment to all children and families and to work together to build a system that can best meet their needs.

This kind of commitment framed the discussions of the NEC*TAS Financing Workgroup as it helped design the contents of this workbook. Workgroup members agreed on a series of general principles about the characteristics of a comprehensive service system. These principles, listed in italics below, are based on the members' own experiences and represent a consensus of how a service system should look. Other groups may agree on a different set of principles to be used in their states.

- ***The system must provide all needed services for all eligible children and their families.***

For a state to implement fully Parts B and H of EHA, it must ensure the availability of all appropriate services to all eligible children, birth through age 5, and their families, according to the timelines established by P.L. 99-457. This means that every eligible child and his/her family are entitled to receive every service in his/her individualized plan.

- ***The system should be comprehensive, interdisciplinary and multi-agency.***

The service system should encompass the full range of early intervention and preschool services that are needed by eligible children and their families. For children birth through age 2, Part H defines 14 components of a statewide, comprehensive delivery system, which includes services to children and their families. Each state may develop its own definition of the system which must include the possibility of an individual child receiving additional services not specifically mentioned in the law. Part B of EHA defines the special education and related services for preschool children with disabilities, ages 3 through 5. Under Part B, as in Part H, this list cannot be considered exclusive and must allow for additional services specified in the child's IEP. Some states are considering expansion of the service system for preschoolers so that the range of comprehensive early intervention services for infants and toddlers remains available when the child is no longer eligible for the Part H program. However, some preschool age children may not be eligible for services because of differences in eligibility under EHA Part H and Section 619. The planning committee should consider what alternative services may

be available for these preschool age children. In order to be effective, services should be delivered according to an interagency interdisciplinary model. It is clear that no one agency at the local or state level can or should provide or finance all the services needed by a child and family.

- ***The system should coordinate and integrate services for all children with special needs and their families.***

An effective service delivery system for children and their families not only incorporates a broad array of services, but also provides for the coordination of services by the many different public and private agencies at both the state and community level. Because funds for the range of services needed come from a variety of state and local sources, planning of the service system must be closely linked to planning of the financing system.

To ensure continuity of services as children develop, the state should coordinate the early intervention service system under the EHA Part H program with the preschool service system under EHA Section 619. Coordination of services begins at the earliest planning stages and continues through service delivery. The existing law, however, tends to fragment planning into two separate age groups. Under the preschool program, the state education agency has ultimate authority over the provision of services, making education the major focus for children ages 3 through 5. On the other hand, Part H allows the state to designate a lead agency, and requires the establishment of an Interagency Coordinating Council (ICC) to oversee the planning and implementation of the early intervention program for children under 3 years of age and their families. Yet, the needs of children and their families do not change significantly when the child turns 3 years old. To

address the fragmentation, some states have tried to enhance integration of the service systems by having their ICCs plan for children from birth through 5 years of age and their families, rather than just for the younger population, as required under Part H. Some states also encourage joint planning between their ICC and special education advisory groups.

By coordinating planning efforts for the service systems, states have an opportunity to look beyond serving very young children and their families to establishing an integrated, comprehensive service system for all eligible children from birth to adulthood and their families. While such a broad-based approach may not be financially or politically feasible at this time, a state should develop, as a critical first step in planning, a consensus vision for a service system for all children and their families. The mechanisms and policies designed for Part H may contribute to the natural evolution of a comprehensive, integrated system for all individuals and their families.

- *The system should be child- and family-centered.*

The system must focus on the needs of children and their families. The service system must build on the existing strengths of families who are the primary caregivers and the most important support system for children with special needs. The family is the intermediary between the child and the outside world, and parents must be involved from the beginning in the planning of the services needed by the individual child, as well as in the planning of a comprehensive service system. To promote family involvement and a focus on the child and family, parents should have access

to training and educational programs and to respite and/or other in-home family support services when requested.

- *The system should be integrated into the community.*

The service system at the community level should be carried out with the goal of providing services in the most natural setting that is least disruptive to the family. Services should be available to enable children with handicaps and their families to live as independently and normally as possible, and to participate along with other children and families in their neighborhoods, in community recreational programs, in local schools, and in child care settings. Members of a state planning team always must keep in mind the impact of state-level policy changes on the community and on individual children and their families. To ensure this community focus, parents and representatives of local agencies must be included throughout the entire planning and implementation process.

In the end, the planning committee should have produced a written description of its shared vision of the comprehensive statewide system of services for all children with special needs and their families, based on a set of principles like those outlined above. To secure support for its vision and goals, the planning committee must seek formal approval from the ICC and the lead agency (and possibly other agencies) and, through them, may request formal agreement or sign-off from the governor or mayor or other local officials, or request the legislature to adopt the statement as a resolution. Later, as work continues, the committee may

find it helpful, when disagreements occur, to go back to this vision to reaffirm the group's purpose and goals.

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CHAPTER 5

DEFINING THE COMPREHENSIVE SERVICE SYSTEM

Once the committee has agreement on its vision of a coordinated service system, the next step is to define more precisely the comprehensive service system envisioned for the state. The committee should identify the individual service components necessary to realize the vision.

Define Target Population

To identify the services that should be included, a committee must first understand who the target population is. The provisions of P.L. 99-457 give the state considerable leeway in defining who is developmentally delayed and at-risk under Part H, but less flexibility in defining who is eligible for preschool special education services. The definition of who is eligible for each program is likely to already have been developed. If this has not been done, defining the target population becomes a critical step and must be done with careful consideration.

Under Part H, the statewide system must make available needed services to infants and toddlers who are disabled and their families. A state may, at its discretion, define its target populations to include children "at risk" for developing a handicapping condition. Some states may want to incorporate an "at risk" population, but are concerned about the additional costs that would be incurred. The committee must consider this reality in its deliberation and may choose to describe in its vision a bigger system that addresses more children and families as

well as a specific, less inclusive eligibility definition as a starting point that still meets the requirement of the Part H regulations. Therefore, in these early stages of planning, when the committee is describing an ideal service system, you may want to keep your definition of the target population broad, so as to cover children at risk for disabilities. Later in the process, the committee in its implementation recommendations may recommend tightening the definition because of fiscal constraints. Note that Part B of EHA does not allow an "at risk" category of eligibility for preschoolers. However, to build a consistent or "seamless" system for children birth through five, states and regions always have the option of using their own (non-federal) funds for an "at risk" category.

Identify Services Needed

The committee must ask themselves what services need to be available in order to accomplish the vision. In identifying the services which would need to be in place in the statewide system to attain the vision, the committee may want to consider the following areas (which are further described in Appendix A):

- Early identification
- Eligibility determination (including multidisciplinary evaluation)
- Child-based direct and indirect services
- Family-based direct and indirect services
- Personnel preparation activities and services
- Administrative system services
- Other support services

The description of the comprehensive statewide service system should reflect the state's vision, not the existing service system. This same principle holds true for a comprehensive system at a regional or local level. The objective here is to describe an ideal or model system -- a full picture of what is wanted and needed. This may be a combination of services that currently exist and a "wish" list of services that do not exist but are necessary to have the ideal, visionary system in place. (There are further examples of services referenced in Appendix A.)

Even when the system described by the committee is statewide, it is important to consider how it will look at the regional or community level. The great variety of service providers in different areas should be viewed as a plus and this variety should be maintained while establishing your system. The ultimate goal of a statewide system is to make available each service needed by every eligible child and his/her family. Actually, the statewide system ultimately will be a composite of the local and regional systems in your state.

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CHAPTER 6

IDENTIFYING THE EXISTING SERVICE AND FINANCING SYSTEM

Before you can determine what changes are needed in the service and financing systems, you must first determine what is in place currently. Many of the services envisioned in the group's ideal service system may already be available and may have funding mechanisms in place to support them. The committee, therefore, must look at both the services for young children and their families that currently exist in the state and all of the funding resources available at the state and local levels. The task of collecting and consolidating this information certainly will require interagency teamwork at the state and local levels.

In addition to helping the committee identify the existing service and financing systems, this information-gathering activity can serve to educate agencies about each other's programs and services. This is a difficult step in the process because it is often here where turf-guarding may appear and where trust levels between agencies and among agencies and consumers may be built or broken.

Many times, through a legislative commission or initial interagency activities, a state may already have completed this step and may have issued a document or report listing all of the revenue and funding resources available. For example, in November 1988, the Legislative Fiscal Office of the Nebraska Legislature prepared and issued "Nebraska's Programs for Children and Their Families: A Guide for Legislators" which summarized all federal and state programs serving children in that state. This document was a major source of information for the

Nebraska Fiscal Study for Part H which was completed in 1990. If such reports have been prepared in your state, the committee can use the first two sub-steps described below to review these documents, share the information with other agencies and committee members, and identify any missing components.

Inventory Services Currently in Place

The first task in the process of resource identification is for the committee to take an inventory of existing services. Tools for completing this inventory task are contained in Appendix A. After reviewing the tables and matrices in Appendix A, you may want to remove them and keep them in front of you as you continue reading this chapter.

You may want to use the listing of services provided in Table 1 of Appendix A as a checklist -- simply put a check next to the services listed that are available in your state and add any that are not included on the list. This composite listing combines early intervention and preschool services, both those listed in EHA, Parts B and H, and others that may become part of your comprehensive system, and is organized as follows:

- direct services
  - early identification and referral
  - eligibility determination
  - child services
  - family services

- indirect services
  - personnel preparation
  - support system
  - administrative systems

You may prefer instead to develop your own inventory tool. Use the members of your committee to collect as much information as possible about the existing service system to be used in subsequent steps in this process.

Inventory Current Funding Sources

In addition to the federal money available under Part H and Part B, Section 619, of the EHA, a state can tap funds from many other sources, including federal, state, and local government agencies, and private and voluntary organizations. Again, much of this information on existing funding resources may have been previously collected as in the Nebraska document described above. A list of the major funding sources a state or community may be using appears in Table 2 of Appendix A and includes:

- federal Department of Education sources
- federal Department of Health and Human Services sources
- other federal sources
- state and local sources
- nongovernmental and private sources

Appendix B includes brief descriptions of each of these resources.

This second task requires you to identify and describe the sources of funding currently being used. The listing of resources in Table 2 of Appendix A may be used as an initial checklist to identify current sources of funding. Each state must, in addition, identify state and local resources and add them to this list. These sources are often specific to the state and may include private sources, such as health insurance programs, private foundation dollars, or voluntary health agencies.

Consolidate Inventories into Two-Dimensional System

The key task in this process of resource identification is to determine which of the services in place are being funded by the resources currently available. The committee can use the blank matrix in Appendix A to consolidate the service inventory and the funding source inventory into a single, two-dimensional system. This section will be easier to follow if you have a copy of the matrix in front of you.

The planning committee can use its inventory of services currently in place to complete the vertical dimension of the matrix and its inventory of current funding sources for the matrix's horizontal dimension. With this information entered on the matrix, the state or local planning group can begin to form a picture of the existing service and financing system. For example, a checkmark in a matrix box where the service dimension and the funding dimension intersect can indicate that the resource checked does provide funding for the service that is checked. Other, more elaborate coding schemes can be developed for the boxes of the matrix to furnish a more detailed picture of the service and financing systems in place. Codes for each box can indicate that the resource listed is not available to fund the listed service, or that it is available but is not being used, or that it is not being used to its full advantage. Another coding scheme may indicate whether a given funding

resource reimburses for a specific service, provides the service directly, or combines some portion of each. The planning matrix may thus be used to describe which funding sources are available for which services by showing where, and how, the service dimension of the matrix intersects with the financing dimension.

The planning committee may prefer to develop its own inventory code. For example, Arkansas used the following codes to complete the boxes of its own financing matrix:

Ages	Eligibility	Services
1: ages 0 - 5	7: based on family income	11: a direct service
2: ages 0 - 2 only	8: based on disability	12: reimbursement for services
3: ages 3 - 5 only	9: based on family situation	13: both direct and reimbursement
4: ages 4 - 5 only	10: no eligibility restrictions	14: services vary from region to region or county to county
5: age 4 only		
6: age 5 only		0: not applicable

Filling out the matrix with judgment-free perspectives is often a challenging exercise for committees. Some committees have chosen to have a staff person actually fill in the matrix after the committee has completed its discussion of necessary services and funding sources. Other groups believe that the process of actually completing the matrix is helpful in further understanding the uses and limitations of each funding source. The committee should discuss which approach is most appropriate for its purpose.

The completed matrix can be used in different ways. It can be used as a checklist for determining which problem areas the committee wants to look at more closely. It can provide a graphic illustration of the financing options the committee must analyze in the next step in order to pursue, as part of its overall strategy, plans for changing and expanding the financing system. The matrix also can be shared with various agency representatives who may observe new areas for interagency collaboration.

The matrix can easily be adapted for use at the local level by local or regional interagency committees. Community planning groups can follow the same process to depict their current financing and service delivery system and to show where changes are needed. Ultimately, such a matrix may be useful to individual *financial case managers* as they work to find sources of funds for the services needed by an individual child and his/her family, as specified in an IFSP or an IEP. These financial case managers can play an important role in translating and implementing the comprehensive financing system for eligible children and families.

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CHAPTER 7

IDENTIFYING AND ANALYZING PROBLEM AREAS IN THE EXISTING SYSTEM

A system of services that can meet the needs of all eligible children and their families requires a broad array of health, education, mental health, welfare, social, and related services. The set of services needed by the target population has been identified by the committee in the steps discussed in Chapter 5 and those services currently in place have been identified in Chapter 6. The funds available from a variety of sources to provide or reimburse for these services also have been identified in the steps discussed in Chapter 6. The current chapter uses the information collected in previous chapters to identify and analyze specific problem areas.

As discussed in earlier chapters, the committee must strive to keep in mind certain ideals about the service system needed by children and their families and they must adhere to previously stated principles and a vision of the planning process itself. Before beginning to identify and analyze problem areas, the committee should review the shared vision and basic principles that they had agreed would guide their discussions (see Chapter 4).

Identify Gaps, Duplications, and Other Problems

From the inventories of existing services and funding sources, the committee should now identify those areas where additional services and/or funding resources

are needed, and where there are any gaps, overlaps or other potential issues or problems. The matrix in Appendix A can be used to identify these problem areas. For example, one could find that funding is available for a certain type of service, but for some reason that service is not being provided to all children needing it, perhaps because eligibility requirements or coverage limitations exclude some children.

In planning and developing this comprehensive service system for children and their families, the planning committee must always keep in mind one fundamental, perhaps obvious, assumption: *Every component of the system has to be paid for by someone.* Many of the services needed by the target population in the state are already being funded. For some services, potential sources of financing may exist but are not being tapped, or their use has been limited in some way, e.g., the use of funds is restricted to certain geographic areas or population groups. Other services may be funded by several different and duplicate funding sources. Some gaps may exist where additional sources of funding (such as legislative appropriations or donations) must be sought. For still other needed services, no funding sources appear to be available at all. The committee must determine which of these descriptions applies to each of the services identified in the system being planned. The goal is to design a financing system to support all the services needed by the target population and described in the committee's vision.

Analyze Issues and Problems

Once gaps, overlaps, and problems are identified, the next task for the committee is to analyze these problem areas. The matrix in Appendix A, together with the resource descriptions in Appendix B, may serve as a guide. For each

service, consider the target population intended to be served and compare that with the eligibility requirements, including age, income, and other restrictions, for each program that provides or pays for the service. Once again, keep in mind that some programs only provide services and some only pay for a service, while others do both. For example, the school system usually provides needed services, but in some cases it may contract a service out to another agency. Also check for any restrictions on service site. For instance, some state Medicaid programs require services to be delivered in a clinic or a health professional's office, and may not cover the services if delivered in the child's home or school. [Note that the OBRA '89 changes to Medicaid and EPSDT may lift many of these restrictions.] Another important question to ask relates to requirements about the service provider; a program may specify, for example, that only a certain type of professional, such as a school nurse, is permitted to provide the service, or it may list the qualifications that the provider must meet in order to be reimbursed for furnishing the service to a child.

When analyzing private or state insurance plans as a revenue resource, be sure to consider any limitations in service coverage, such as a maximum number of days or visits, or lifetime caps on total expenditures. Also, you must review requirements for deductibles and co-payments. In addition, the committee should be knowledgeable about options for payment, such as whether payment for the service is mandated by law or regulation, is discretionary, or is prohibited. There may be other payment restrictions, such as prior authorization. Health maintenance organizations (HMOs) and other managed care programs, for example, generally require that all services be provided or authorized by the enrollee's primary care physician. Finally, learn whether payment for the service is on a prospective basis, as in an HMO, or a retrospective, fee-for-service basis. Consider how such requirements can affect the delivery of services. The point here is that if a

given resource is going to be used to provide and/or pay for a given service, certain rules must be followed.

The planning committee may discover that several different agencies or programs are providing the same service to the same child or type of child. For example, a service such as occupational therapy may be available from local school districts and from private community agencies within certain communities. Or, a community may have screening programs operated and reimbursed by multiple sources, e.g., the local school system, Head Start, the local health department, and the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. Having multiple funding sources for each service is not necessarily a problem and in fact may be needed to assure that the service is available for all children and families. The availability of multiple funding sources also may provide flexibility for funding a service at a local level. However, if committee members find that one service has multiple public funding sources that overlap, they may recommend that some of the public funding be re-channeled to a service with few or no funding sources.

Many of the potential issues or problems identified will require further analysis. Limited time and staff resources may prevent the committee from tackling all of the issues at the same time. The committee must establish priorities and determine which problem areas to target for additional study. This is one point where a committee may choose to assign subcommittees to further study or analyze specific issues or problems. Examples of the kinds of tasks a planning committee or subcommittee might consider include making a chart or table of each identified barrier; defining needed changes; choosing the best process for change; identifying

who has the authority to make changes; and, if barriers cannot be overcome, listing the viable options for achieving the same goal.

STEPS IN THE PROCESS OF PLANNING AND IMPLEMENTING A FINANCING SYSTEM FOR EARLY INTERVENTION AND PRESCHOOL SERVICES

INVOLVE KEY STAKEHOLDERS AND ADVOCATES IN THE PLANNING PROCESS
Form a Planning Committee
Build Advocacy and Support for Policy Decisions

CHART YOUR COURSE WITH A VISION OF AN IDEAL SERVICE SYSTEM
Develop a Shared Vision
Agree on Guiding Principles for the Planning Process

DEFINE THE COMPREHENSIVE SERVICE SYSTEM
Define Target Population
Identify Services Needed

IDENTIFY THE EXISTING SERVICE AND FINANCING SYSTEM
Inventory Services Currently in Place
Inventory Current Funding Sources
Consolidate Inventory into Two-Dimensional System

IDENTIFY AND ANALYZE PROBLEM AREAS IN THE EXISTING SYSTEM
Identify Gaps, Duplications, and Other Problems
Analyze Issues and Problems

DEVELOP STRATEGIES FOR CHANGING THE FINANCING SYSTEM
Set Realistic Priorities
Define the Political and Fiscal Environment
Write a Plan for Strategic Changes
Finalize Interagency Working Agreements

IMPLEMENT CHANGES IN THE SERVICE AND FINANCING SYSTEM
Effect Changes in Implementation Plan
Publicize Policy and Legislative Changes
Monitor and Evaluate Program Changes

CHAPTER 8

DEVELOPING STRATEGIES FOR CHANGING THE FINANCING SYSTEM

Once the committee has analyzed the problems with the current delivery system, they must tackle a new set of tasks. First, the committee must determine what changes are needed to fill in any service gaps, to eliminate any duplication of services, or to correct any other problems. Then they must decide which financing options to pursue, based on established priorities, and map out strategies for implementing the recommended financing system changes.

Costs for certain proposed changes will vary, depending on the source of funding or the rules and regulations for alternative funding sources. Some changes could be implemented through simple procedural revisions or by an amendment to state or local regulations. Other changes could be accomplished by a private agency agreeing to pick up the cost or by new state appropriations approved by the legislature. Perhaps a modification in the Medicaid state plan is needed or a simple administrative change can suffice to begin billing Medicaid for a specific service. Each of these mechanisms involves not only different costs but also different time requirements. The committee must consider and compare the costs and benefits, and then decide which funding sources would be the best way to address each problem. For example, try to take full advantage of nonlegislative funding sources before seeking funds from the state legislature.

Set Realistic Priorities

Since many states and communities will have difficulty in implementing all the changes needed at the same time, the committee must decide which of the changes should come first. Establish priorities not only on the basis of what is needed, but also in the context of what is politically and financially feasible. For example, if the state budget is tight this year, but support for a program change appears to be strong, you may want to concentrate efforts on getting authorizing legislation passed first, and on seeking the money to fund the program change later.

Once a committee has agreed on the overall policy direction to take, they are ready to develop specific mechanisms for implementing the policy changes. The first step is to look at all the changes needed in the delivery system and analyze available funding options for each recommended change. A committee may conclude, for instance, that expanding the state Medicaid program to include a service may be the best way to remedy one specific problem. In some cases, a slight administrative or policy change in billing procedures could solve the problem.

Be sure to include in the first implementation phase some initiatives that can be put into place quickly and easily and that will bring measurable results early on. These early successes can help to build support for more extensive changes to come later. For example, Massachusetts' successful and extensive use of Medicaid to pay for early intervention services prompted its legislature to pass legislation which mandates that private insurance companies provide coverage for early intervention services.

Define the Political and Fiscal Environment

In deciding which legislative or administrative changes to pursue, take into account the current political climate in your state or region -- both the positive and negative elements. If the governor or the legislature has shown support in the past for other child and family-related issues, chances for support may be promising. In developing strategies for change, planners should take advantage of such political opportunities and also be wary of political roadblocks. For example, if the legislature has been hesitant to fund new proposals relating to children and families, the committee may want to begin with initiatives that do not require legislative approval. In some cases, rather than requesting new funding, a committee may recommend the redirection of existing sources of funds and/or using existing state budget dollars as matching funds in order to obtain additional federal funds. For example, in 1989 Alabama began the process of reallocating resources from the Departments of Mental Health and Mental Retardation, Public Health, and Human Resources to serve as matching funds in order to obtain additional federal Medicaid dollars. In other cases, the committee may conclude that expanding a particular program to include an additional service may be the best way to remedy one specific problem.

It is also essential to evaluate the financial situation of the state as a whole, as well as local economic conditions. The legislature is less likely to approve funds for major new programs if the state has a serious budget deficit. Get advice from all parties involved in the planning process and use outside consultants, if necessary. For example, if it can be shown that local district funds can be combined with larger pots of federal and state money, districts may be more willing to come up with local

financing. The same strategy may work at the state level through the combination of federal, state, local and private dollars.

Write a Plan for Strategic Changes

The specific steps required to carry out the recommended policy changes must be spelled out in a written implementation plan, agreed to by all members of the planning committee. For each change being sought, the document should specify the activities required to implement the changes, establish timelines for the implementation activities, allocate the responsibilities of participating agencies and organizations, and describe the materials and resources needed. The plan should designate the specific staff or office in the lead agency with responsibility for coordinating the financing of the services, as required in the law. The plan also should describe the role of the planning committee or other governing body, such as the ICC, in overseeing and coordinating the activities described.

Finalize Interagency Working Agreements

A major task in developing strategies for change is to negotiate cooperative agreements among the participating agencies and organizations in order to effect the recommended changes. These agreements should define the purpose and the goals of the parties' collaborative efforts and should describe how agencies will work together to implement the program changes. The agreements also should specify the financial arrangements, including who will pay for what services, what procedures will be used for reimbursement and billing, what criteria will be used to determine eligibility, what documentation is required, and what data must be collected. Remember, P.L. 99-457 requires interagency agreements to determine

financial responsibility for both the Part H and Part B, Section 619 programs. In some cases, less formal interagency agreements, such as letters of intent and memoranda of agreement, will be sufficient at this stage of the process, and then can be formalized later in the process.

The first step in this process (Chapter 3) included the task of building advocacy and support for policy decisions. If you have been devoting time to this task as you progressed through the steps outlined in this workbook, obtaining agreement on necessary policy changes should not pose significant difficulties at this stage. However, be sure to allow enough time to get formal approvals and signatures by all agencies, as required.

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CHAPTER 9

IMPLEMENTING CHANGES IN THE SERVICE AND FINANCING SYSTEM

Effect Changes in Implementation Plan

In this final step of the process, the financing and delivery system changes advocated by the planning committee, and supported by state and/or local agencies as well as by groups representing providers and families, are ready to be put into place. Participating agencies and organizations begin to carry out the activities spelled out in the implementation plan and in signed, interagency agreements. If a change requires a revision in regulatory policy, the appropriate agency begins the process of drafting and promulgating proposed regulations. If legislative action is required, the appropriate party or agency initiates the formal process of proposing legislation.

In some cases, an agency may want to conduct pilot studies or demonstration projects before implementing final changes in program policy. It may be necessary to publish a Request for Proposals (RFP) for the studies. Before any studies get underway, however, the agency should issue policies and procedures for the operation of the demonstration projects and should determine how program policy will be affected as the pilots are completed and evaluated.

Implementation also means planning and conducting orientation and training programs for the state, regional, and local staff who will be responsible for administering the new or revised programs. The committee also must make sure

that the appropriate staff in the lead agencies are prepared to undertake the financial management of the system. For example, if one of your planned changes involves billing third-party payers, such as Medicaid and private insurers, the state agency and local providers may need extensive inservice training to implement such a system once the necessary policy changes are made.

Publicize Policy and Legislative Changes

As mentioned earlier, the committee must continue to build support throughout the entire planning process by keeping all interested parties up to date, both orally and in writing, on its activities. Publicity about the changes in program policy, newly passed legislation, and pending legislative proposals is an essential part of the implementation process. An intensive publicity campaign may be required when the plans have been completed and the changes are ready to put in place. The committee must be prepared to explain publicly the changes and the rationale behind them. If some of the changes were originally suggested and/or supported by advocacy and provider groups, then this task will prove much easier to accomplish.

As you begin to publicize new policies and programs, decide who needs to know. Who will be affected by the changes? Be sure to include all state and community advocacy and parent groups, as well as public, private, and voluntary agencies. Next, determine how to publicize the changes. The committee could hold a press conference or send news releases to key organizations and media contacts. More detailed information could be provided through a newsletter or through a speakers bureau. Parent and advocacy groups also could be asked to disseminate information to their members. In addition, formal notices and manuals describing

program requirements and procedures should be clearly written in a format and tone that providers and case managers can understand and implement.

Monitor and Evaluate Program Changes

The final step in the implementation process is to establish mechanisms that monitor the ongoing effects of the changes in program policy and legislation and that evaluate its success over a period of time. Although these evaluation activities could be conducted internally, the committee may want to hire outside consultants to review the impact of the changes, depending on the resources available.

When assessing the impact of the changes in the financing and delivery system, the committee should emphasize the impact on individual families and children, as well as on local agencies. Encourage formal and informal feedback from consumers and providers at the local level. This community and family focus should have been an important element of the entire planning process; it is essential now in evaluating the implementation activities.

If revisions in program policy are contemplated on the basis of these formal evaluations and informal comments, the committee will have to go back through earlier steps in the process in order to decide on the best course of action to correct problems or revise program policy. The planning process does not end with implementation and evaluation. It is an ongoing, cyclical process. By the time a state begins evaluating its policy(ies) and programmatic changes, a new planning cycle already should have begun.

However, the planning committee should reflect on the degree of success it has achieved and consider the children and families that are now receiving needed services. The initial charge of this hard-working group of individuals may have been accomplished. Therefore, it may be time for a new group to be convened to continue these functions on an ongoing basis.

APPENDIX A

Matrix of Services and Funding Resources

APPENDIX A

MATRIX OF SERVICES AND FUNDING SOURCES

The NEC*TAS staff, with guidance from the NEC*TAS Financing Workgroup, developed a matrix to help states and communities to design comprehensive financing systems. The matrix lists on the vertical axis the services that children with handicaps require, and on the horizontal axis the major potential sources of funds.

A copy of the NEC*TAS Financing Matrix is included as part of this appendix. In order to understand the matrix as you read this section and the discussion in Chapters 6 and 7, we recommend that you make several copies of the matrix and keep one in front of you as you read these sections of the workbook.

The items comprising the two dimensions of the matrix are based upon the requirements of P.L. 99-457 and on what the work group judged to be important to maintaining a comprehensive service delivery system. Every item listed for each dimension may not necessarily be applicable to every state; a state or community may add to or modify the list of items in order to reflect more accurately its own ideal system. Please note that the matrix combines services required by children from birth through age 5 and their families. Matrix users considering only children from birth through age 2, or children from 3 through 5 years, will have to modify the matrix elements accordingly.

Services Dimension

Table #1 lists the items on the early intervention and preschool services (vertical) dimension of the matrix. This table provides a full descriptive title for each service which is found in abbreviated form on the matrix. The first four headings of Table #1 contain the list of direct services for eligible children and families, subdivided into the following categories:

- Early Identification and Referral: Services designed to identify children who may be eligible for early intervention or preschool services.
- Eligibility Determination: Services that determine whether or not a child is eligible and, if so, what services the child and family should receive.
- Child Services: Services that are provided directly to or for the eligible child.
- Family Services: Services that are provided directly to or for members of the eligible child's family.

The last three headings in Table #1 contain the list of various system components that are not direct services, subdivided into the following categories:

- Personnel Preparation: Those components intended to assure that the personnel working in programs that provide early intervention and preschool services are adequately prepared to carry out their respective roles and responsibilities.

- Support System: Those components intended to support the provision of direct services and/or enhance the quality of direct services.

- Administrative Systems: Those components that carry out necessary administrative functions and enable the entire system to operate effectively and comply with statutory requirements.

Funding Resources Dimension

The list of potential financing resources, displayed horizontally across the top of the matrix, includes the major federal, state, and local government and non-government sources of funding available to states. There may be additional sources in your state; if so, just fill in the blanks on the list. The government sources shown here are those providing long-term, formula-type grant funds; discretionary funds provided on a competitive, short-term basis are excluded from the matrix because these are usually helpful only as seed money for initial planning activities and cannot be counted on to support ongoing service delivery programs. Some of the resources listed are direct service providers, some are third-party payors, and others -- such as health maintenance organizations (HMOs) and preferred provider organizations (PPOs) -- both provide and finance services.

Table #2 lists the items on the funding resources (horizontal) dimension of the matrix. Each of the resources included in the matrix is listed with its full name in Table #2 and is further described in Appendix B. The descriptions outline the major eligibility criteria and procedures, services and activities covered, provider qualifications, and any special features or unique issues to consider.

Additional sources of information are provided in Appendix C.

TABLE 1

EARLY INTERVENTION AND PRESCHOOL SERVICES

Early Identification and Referral

Public Awareness
Child Find
Referral
Screening

Eligibility Determination

Assessment
Medical Services (for diagnosis and evaluation only)
Initial IFSP Process
Initial IEP Process

Child Services

Special Instruction
Special Education
Speech Pathology
Audiology
Occupational Therapy
Physical Therapy
Psychological Services
Counseling
Case Management Services
Health Services (to enable child to benefit from other early intervention services)
Nursing Service
Nutrition Services
Dental Services
Immunizations
Alternative Living Arrangements
Specialized Day Care
Specialized Foster Care
Transportation
Special Equipment
Recreation
Adaptive Physical Education
Environmental Adaptation
Transition Services
Vision Services

TABLE 1 (cont'd)

Family Services

Family Counseling
Family Training and Education
Respite Care
Transportation
Homemaker Service
Case Management Services
Financial Counseling
Protection and Advocacy
Parent-to-Parent Networks and Support
Interdisciplinary Team Services (IFSP or IEP)
Interpreters
Special Equipment
Legal Services

Personnel Preparation

Personnel Standards and Credentialing System
Support for Preservice Training Programs
Inservice Training and Continuing Education
Support for a Consortium of Higher Education

Support System

Public Awareness and Child Find System
Tracking and Monitoring System
Resource Centers
Central Directory of Resources
Interagency Agreements and Coordination
Model Programs and Demonstrations
Research and Development
Information Dissemination
Technical Assistance to Service Provider

Administrative Systems

Data Collection System
ICC Functions
Special Education Advisory Counsel Functions
Needs Assessment and Evaluation
Supervision and Monitoring
Financial Administration
Procedural Safeguards and Dispute Resolution

TABLE 2

FUNDING RESOURCES

Federal Department of Education

Education of the Handicapped Act, Part H
Education of the Handicapped Act, Part B, State Grants
Education of the Handicapped Act, Part B, Section 619
EHA, Services for Deaf-Blind Children and Youth
Chapter 1 Programs for Handicapped Children
Even Start
Chapter 1, Disadvantaged
Bilingual Education
Migrant Education
Technology-Related Assistance Act

Federal Department of Health and Human Services

Medicaid, Social Security Act, Title XIX
Early and Periodic Screening, Diagnosis and Treatment Programs (under Medicaid)
Maternal and Child Health Block Grant, Social Security Act, Title V (includes both Maternal and Child Health and Services for Children with Special Health Care Needs)
Developmental Disabilities, Basic State Grant, OHDS
University Affiliated Programs
Head Start Program
Child Welfare Services, Social Security Act, Title IV-B
Social Services Block Grant, Social Security Act, Title XX
Alcohol, Drug Abuse, and Mental Health Block Grant (Community Mental Health Centers)
Community Health Centers, Public Health Service Act
Indian Health Service
Migrant Health Services Program, Public Health Service Act
Health Care for the Homeless, McKinney Homeless Assistance Act
Comprehensive Child Development Program
Protection and Advocacy (Developmental Disabilities)

Other Federal Programs

CHAMPUS - Civilian Health and Medical Program of the Uniformed Services, Department of Defense
Special Supplemental Foods for Women, Infants, and Children (WIC), U.S. Department of Agriculture

TABLE 2 (cont'd)

State and Local Resources

Special Education Funds
Other Educational Funds
Public Health/Mental Health Funds
Targeted Appropriations for Children
Specially Targeted Revenue (e.g., lottery or tax return checkoffs)
Foster Care/Protective Services/Child Welfare Funds
Mental Retardation/Developmental Disability Funds

Non-Governmental Resources

Private Insurance - Individual, Group and Self (ERISA - the Federal Employment Retirement Income and Security Act of 1974)
Health Maintenance Organizations, Preferred Provider Organizations, and Other Managed Care
Voluntary Health Agencies (e.g., UCP, Easter Seal, ARC)
Foundations and Corporate Giving Programs
Families-Sliding Fee Scale
Voluntary Service Programs (e.g., churches, Lions, Shriners)
Community Service Agencies

MATRIX OF SERVICES AND FUNDING RESOURCES

		DEPT OF EDUCATION											DEPT. OF HEALTH AND HUMAN SERVICES															FED				STATE AND LOCAL									NON-GOVERNMENTAL							
		EHA-Prt. H	EHA-St Grnt	EHA-B-619	EHA-DI/Blnd	Ch.1-Hand	Even Start	Ch.1-DisAdv	Bilingual Ed	Migrant Ed	Tch Rel/Asst		Medicaid	EPSDT	MCH-Title V	DD Grants	UAPs	Head Start	Title IVB	Title XX	Cmty. MH	Cmty HlthCtr	IHS	Migrant Hlth	Homeless	CmpChld Dv	P & A	CHAMPUS	WIC			Spec. Ed.	Other Ed.	PH/MH Fund	Chld Approp	Spec Rvnu	Chld Welfare	MR/DD Fnds			Priv. Ins.	HMO, PPO	Vol HlthAgcy	Foundations	Sliding Fee	Vol. Services	Cmty Srvcs	
EARLY ID	Public Awareness																																															
	Child Find																																															
	Referral																																															
	Screening																																															
ELIGIBILITY	Assessment																																															
	Medical Services																																															
	Initial IFSP Process																																															
	Initial IEP Process																																															
CHILD SERVICES	Special Instruction																																															
	Special Education																																															
	Speech Pathology																																															
	Audiology																																															
	Occupational Therapy																																															
	Physical Therapy																																															
	Psychological Services																																															
	Counseling																																															
	Case Mgmt. Services																																															
	Health Services																																															
	Nursing Service																																															
	Nutrition Services																																															
	Dental Services																																															
	Immunizations																																															
	Alt. Living Arrangemnts																																															
	Specialized Day Care																																															
	Specialized Foster Care																																															
	Transportation																																															
	Special Equipment																																															
	Recreation																																															
	Adaptive P.E.																																															
	Environmental Adaptation																																															
	Transition Services																																															
	Vision Services																																															

MATRIX OF SERVICES AND FUNDING RESOURCES

		DEPT OF EDUCATION											DEPT. OF HEALTH AND HUMAN SERVICES																FED				STATE AND LOCAL									NON-GOVERNMENTAL							
		EHA-Prt. H	EHA-SKGrnt	EHA-B-619	EHA-DI/Blnd	Ch.1-Hand	Even Start	Ch.1-DisAdv	Bilingual Ed	Migrant Ed	TchRelAsst		Medicaid	EPSDT	MCH-Title V	DD Grants	UAPs	Head Start	Title IVB	Title XX	Cmty. MH	CmtyHlthCtr	IHS	Migrant Hlth	Homeless	CmpChld Dv	P & A		CHAMPUS	WIC		*	Spec. Ed.	Other Ed.	PH/MH Fund	Chld Approp	Spec Rvnu	Chld Welfare	MR/DD Fnds			Priv. Ins.	HMO, PPO	Vol Hlth Agcy	Foundations	Sliding Fee	Vol. Services	Cmty Srvcs	
FAMILY SERVICES	Family Counseling																																															
	Family Trng/Educ.																																															
	Respite Care																																															
	Transportation																																															
	Homemaker Service																																															
	Case Mgmt. Services																																															
	Finance Counseling																																															
	Protection/Advocacy																																															
	Parent-to-Parent Ntwrk																																															
	Intrdisc. Teams Srvcs																																															
	Interpreters																																															
	Special Equipment																																															
	Legal Services																																															
PERSNL PREP.	Personnel Standards																																															
	Support Pre-Svc Trng																																															
	In-Svc Trn/Cont. Ed.																																															
	Support to Higher Ed.																																															
SUPPORT SYSTEM	Public Awrns/Child Find																																															
	Tracking/Monitoring																																															
	Resource Centers																																															
	Central Direct. Resources																																															
	Interagcy Agreements																																															
	Model Programs/Demos																																															
	Research & Development																																															
	Info Dissemination																																															
	T.A. to Srvc. Providers																																															
ADMIN. SYSTEMS	Data Collection System																																															
	ICC Functions																																															
	Spec. Ed. Advsry Cncl.																																															
	Needs Assmnt./Eval.																																															
	Supervision/Monitoring																																															
	Financial Admin.																																															
	Proc. Safe/Disp. Res.																																															

APPENDIX B

Major Sources of Funding

APPENDIX B

LIST OF PROGRAM DESCRIPTIONS

Federal Department of Education

Education of the Handicapped Act, Part H B-3
Education of the Handicapped Act, Part B, State Grants B-6
Education of the Handicapped Act, Part B, Section 619 ..... B-8
EHA, Part C, Services for Deaf-Blind Children and Youth B-11
Chapter 1 Programs for Handicapped Children B-13
Chapter 1, Even Start B-16
Chapter 1, Disadvantaged B-19
Bilingual Education B-22
Migrant Education B-25
Technology-Related Assistance Act B-27

Federal Department of Health and Human Services

Medicaid, Social Security Act, Title XIX B-29
Early and Periodic Screening, Diagnosis and Treatment Programs B-32
Maternal and Child Health Block Grant, Social Security Act, Title V B-34
Developmental Disabilities, Basic State Grant, OHDS B-37
Developmental Disabilities, University Affiliated Programs B-39
Head Start Program B-41
Child Welfare Services, Social Security Act, Title IV-B B-44
Social Services Block Grant, Social Security Act, Title XX B-46
Alcohol, Drug Abuse, and Mental Health Block Grant B-48
Community Health Centers, Public Health Service Act B-50
Indian Health Service B-52
Migrant Health Centers, Public Health Service Act B-53
Health Care Services for the Homeless, McKinney Homeless Assistance Act
1) Primary Health and Substance Abuse B-55
2) Block Grants for Community Mental Health Services B-57
Comprehensive Child Development Program B-59
Developmental Disabilities, Protection and Advocacy B-61

Other Federal Programs

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) B-63
Special Supplemental Food Program for Women, Infants, and Children (WIC) B-65

State and Local Resources B-67

Non-Governmental Resources B-71

EDUCATION OF THE HANDICAPPED ACT, PART H
HANDICAPPED INFANTS AND TODDLERS PROGRAM
(20 U.S.C. 1471-1485)

Part H of the Education of the Handicapped Act provides assistance to States to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency program to provide early intervention services for infants and toddlers with handicaps and their families.

CONTACT AGENCY: State agency designated by each Governor as the responsible lead agency.

CLIENT ELIGIBILITY: Children from birth to age 2, inclusive, who are experiencing developmental delays in cognitive development, physical development, language and speech development, psychosocial development, and/or self-help skills or those who have a diagnosed physical or mental condition which has a high probability of resulting in developmental delay. At State discretion, eligible children may also include those from birth to age 2, inclusive, who are at risk of having substantial developmental delays if early intervention services are not provided.

Families of eligible children are also eligible for services.

COVERED SERVICES AND ACTIVITIES: Planning, development and implementation of a statewide system of early intervention services designed to meet the developmental needs of infants or toddlers with handicaps, in conformity with an individualized family service plan (IFSP). Such services may include but are not limited to family training, counseling, and home visits; special instruction; speech-language pathology and audiology; occupational therapy; physical therapy; psychological services; case management services; medical services only for diagnostic or evaluation purposes; early identification, screening, and assessment services; health services necessary to

enable the infant or toddler to benefit from the other early intervention services; nursing services; nutrition services; social work services; and transportation.

SERVICE DELIVERY:

Early intervention services must be provided in the types of settings in which infants and toddlers without handicaps would participate, or hospital settings if appropriate, by qualified personnel, including special educators, speech and language pathologists and audiologists, occupational therapists, physical therapists, psychologists, social workers, nurses, physicians, and nutritionists, in conformity with an individualized family service plan. Community-based settings are recommended.

FLOW OF FUNDS:

Upon approval of applications, funds are allocated to each State based on the State's national proportion of infants and toddlers aged 0-2, inclusive, except that no State is to receive less than 0.5 percent of the annual allotment.

USE OF FUNDS:

Funds may be used to provide direct services for infants and toddlers with handicaps that are not otherwise provided from other public or private sources and to expand and improve existing services.

Funds may not be used to satisfy a financial commitment for services which would have otherwise been paid for by another public or private source except if necessary to prevent delay in the receipt of services. In that case, funds may be used pending reimbursement from the responsible agency.

States are not permitted to reduce medical or other assistance available, or to alter eligibility under Title V (Maternal and Child Health) or Title XIX (Medicaid) of the Social Security Act.

FY '91 APPROPRIATION:

$117.10 million

ADDITIONAL RESOURCES:

Beckett, J. (1989). Health Care Financing: A Guide for Families. Iowa City, IA: National Maternal and Child Health Resource Center.

Department of Education. (June 22,1989). .Early Intervention Program for Infants and Toddlers with Handicaps; Final Regulations. 34 CFR Part 303.

NCCIP. (February, 1989). The Intent and Spirit of P.L. 99-457: A Source Book. Arlington, VA: Author.

NEC*TAS. (1990). NEC*TAS Information Packet on the Financing of Early Intervention and Preschool Services. Chapel Hill, NC: NEC*TAS.

EDUCATION OF THE HANDICAPPED ACT, PART B
ASSISTANCE FOR EDUCATION OF ALL HANDICAPPED CHILDREN
(20 U.S.C. 1411-1420)

The purpose of Part B of the Education of the Handicapped Act is to assist States in providing a free appropriate public education to all children with handicaps ages 3 through 21.

CONTACT AGENCY:	State education agency
CLIENT ELIGIBILITY:	All children with handicaps ages 3 through 21 inclusive, requiring special education and related services. Children with handicaps ages 3 to 5 and 18 to 21, inclusive, are not required to receive services in States in which serving these children would be inconsistent with State law or practice or the order of any court, with respect to the provision of public education within these age groups in the State.
COVERED SERVICES AND ACTIVITIES:	Special education and related services designed to meet the unique needs of a child with handicaps, in conformance with each child's individualized education plan. Such services include but are not limited to specially designed instruction, transportation, and such developmental, corrective, and other supportive services as required to assist a child with handicaps to benefit from special education, including speech pathology and audiology, psychological services, physical and occupational therapy, recreation, and medical and counseling services, except that medical services are for diagnostic and evaluation purposes only.
SERVICE DELIVERY:	Services must be provided in the least restrictive environment by qualified personnel, and may be provided through classroom instruction, home instruction and instruction in hospitals and institutions, including private schools and facilities, if eligible children are placed there by the State or local educational agency.

FLOW OF FUNDS:

Upon approval of applications, funds are allocated to each State based on the number of children with handicaps ages 3 through 21 served by the State on December 1 of the fiscal year for which funds are appropriated. Federal funds are not provided for those children with handicaps in a State in excess of 12% of all similarly aged children in the State, nor for children served under Chapter 1 of the Elementary and Secondary School Improvement Amendments of 1988.

State education agencies are required to pass through to local educational agencies and intermediate education units, a minimum of 75 percent of the State allocation. Twenty-five percent may be retained by the State, with up to 5 percent used for administrative costs. The remaining 20 percent may be used for direct and support services, and for the administrative costs of monitoring and complaint investigation to the extent such costs exceed those incurred in FY 85.

USE OF FUNDS:

Funds received by public agencies under this program may be used to pay only the excess costs directly attributable to the education of children with handicaps and must be used to supplement, not supplant, Federal, State and local funds expended for the education of children with handicaps.

FY '91 APPROPRIATION:

$1,854.21 million

ADDITIONAL RESOURCES:

U.S. Department of Education, Office of Special Education and Rehabiliative Services. (1989). "To Assure the Free Appropriate Public Education of All Handicapped Children": Eleventh Annual Report to Congress on Implementation of Part B of the Education of the Handicapped Act. Washington, DC: Author.

EDUCATION OF THE HANDICAPPED ACT, PART B, SECTION 619
PRESCHOOL GRANTS
(20 U.S.C. 1419)

Separate allocations are provided to States under Section 619 of Part B to encourage the provision of special education and related services to all children with handicaps ages 3 through 5.

CONTACT AGENCY: State education agency

CLIENT ELIGIBILITY: Children with handicaps ages 3 to 5 inclusive, in need of special education and related services. Beginning in FY 91 (after a phase-in period) States will be eligible for funds under EHA only if they provide a free appropriate public education to all children with handicaps ages 3 to 5 inclusive.

COVERED SERVICES AND ACTIVITIES: Special education and related services designed to meet the unique needs of a child with handicaps, in conformance with each child's individualized education plan. Such services include but are not limited to: specially designed instruction, transportation, and such developmental, corrective, and other supportive services as required to assist a child with handicaps to benefit from special education, including speech pathology and audiology, psychological services, physical and occupational therapy, recreation, and medical and counseling services, except that medical services are for diagnostic and evaluation purposes only.

States are authorized to use up to 20% of their allocation for planning and demonstration projects.

SERVICE DELIVERY: Services must be provided in the least restrictive environment by qualified personnel, and may be provided through classroom instruction, home instruction and instruction in hospitals and institutions, including private schools and facilities,

if eligible children are placed there by the State or local educational agency.

FLOW OF FUNDS: Upon application approval, states receive a per capita allotment based on the number of eligible children with handicaps ages 3 to 5 inclusive, receiving special education and related services. The maximum basic per capita allowance for FY 89 is $500 and for FY '91 and thereafter is $1,000.

States are required to pass through to local and intermediate school districts at least 75 percent of their preschool allocation. Twenty percent of the allocation may be reserved for planning and demonstration projects and 5 percent may be used for administration.

USE OF FUNDS: If State and local funds are available for nonhandicapped children ages 3 to 5, then funds received by public agencies under this program may be used to pay only the excess costs directly attributable to the education of children with handicaps and must be used to supplement, not supplant, Federal, State and local funds expended for the education of children with handicaps.

FY '91 APPROPRIATION: $292.77 million

ADDITIONAL RESOURCES:

Beckett, J. (1989). Health Care Financing: A Guide for Families. Iowa City, IA: National Maternal and Child Health Resource Center.

Ellison, M. L, Knoll, J., Bradley, V. J., & Moore, K. (December, 1988). Financing Options for Home Care for Children with Chronic Illness and Severe Disability: Technical Assistance Manual. Cambridge, MA: Human Services Research Institute.

U.S. Department of Education, Office of Special Education and Rehabiliative Services. (1989). "To Assure the Free Appropriate Public Education of All Handicapped Children": Eleventh Annual

Report to Congress on Implementation of Part B of the Education of the Handicapped Act. Washington, DC: Author.

EDUCATION OF THE HANDICAPPED ACT, PART C
SERVICES FOR DEAF-BLIND CHILDREN AND YOUTH
(20 U.S.C. 1422)

This program provides funding to public or nonprofit private agencies, institutions, or organizations to assist State education agencies in providing special education and related services (including vocational and transitional services) to deaf-blind children and youth from birth through age 21.

CONTACT AGENCY:	U.S. Department of Education, Office of Special Education Programs, Division of Educational Services
CLIENT ELIGIBILITY:	Deaf-blind children ages 3 through 21
COVERED SERVICES AND ACTIVITIES:	Special education and related services, including vocational and transitional services, diagnosis and educational evaluation of children and youth at risk of being certified deaf-blind, programs of adjustment, education, and orientation for deaf-blind children and youth, consultative, counseling and training services for the families of deaf-blind children and youth, establishment and support of regional programs for the provision of technical assistance in the education of deaf-blind children and youth, and development and operation of extended school year demonstration programs for children and youth with severe handicaps, including deaf-blind children and youth. Grantees are required to provide technical assistance, preservice or inservice training, replication of successful innovative approaches and facilitation of parental involvement.
SERVICE DELIVERY:	Services may be provided through grants, or cooperative agreements or contracts with public or nonprofit private agencies, institutions or organizations.

FLOW OF FUNDS:	Funds may be provided through grants, cooperative agreements or contracts with public or nonprofit private agencies institutions, or organizations.
USE OF FUNDS:	Funds are to be used first for direct services for deaf-blind children not eligible for special education services under EHA, Part B, and not receiving those services under other authorities. The second priority is for technical assistance to States to help them provide services to the deaf-blind children they are required to serve. After these two priorities are met, States may use any remaining funds to provide services to school-aged children whom States must already serve.
FY '91 APPROPRIATION:	$12.85 million
ADDITIONAL RESOURCES:	U.S. Department of Education, Office of Special Education and Rehabiliative Services. (1989). "To Assure the Free Appropriate Public Education of All Handicapped Children": Eleventh Annual Report to Congress on Implementation of Part B of the Education of the Handicapped Act. Washington, DC: Author.

CHAPTER 1, FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN
PART D, PROGRAMS OPERATED BY STATE AGENCIES
SUBPART 2, PROGRAMS FOR HANDICAPPED CHILDREN
(20 U.S.C. 2791-2796)

This program provides grants to States to assist in the delivery of special education and related services to children with handicaps from birth through age 20 who are enrolled in State-operated or supported facilities and programs.

CONTACT AGENCY: State Education Agency

CLIENT ELIGIBILITY: Children with handicaps from birth to 21 inclusive for whom the State is directly responsible for providing special education or early intervention services and who are participating in a State-operated or State-supported school or program for children with handicaps or who previously participated in such a program and are receiving special education or early intervention services from local educational agencies; and other children with handicaps, if children described above have been fully served.

COVERED SERVICES AND ACTIVITIES: Programs and projects which are designed to supplement the special educational needs of children with handicaps (other than infants and toddlers with handicaps) or the early intervention needs of infants and toddlers with handicaps. Programs and projects may include, but are not limited to services provided in early intervention, preschool, elementary, secondary, and transition programs; acquisition of equipment and instructional materials; employment of special personnel; training and employment of education aides; training in the use and provision of assistive devices and other specialized equipment; training of teachers and other personnel; training of parents of children with handicaps; training of nonhandicapped children to facilitate their participation with

children with handicaps in joint activities; training of employers and independent living personnel involved in assisting the transition of children with handicaps from school to the world of work and independent living; outreach activities to identify and involve children with handicaps and their families more fully in a wide range of educational and recreational activities in their communities; and planning for, evaluation of, and dissemination of information regarding such programs and projects assisted under this program.

SERVICE DELIVERY: As described in the required grant application. Projects operated with these funds must also be in accordance with the requirements of Part B and/or if appropriate, Part H of the Education of the Handicapped Act.

FLOW OF FUNDS: Funds are allocated to States based on the State's average per pupil expenditure and the number of children with handicaps from birth through 21, enrolled on December 1, in state-operated or supported programs or schools for infants, toddlers and children with handicaps.

Children who leave a State-operated or supported program for children with handicaps to participate in a program for children with handicaps operated or supported by a local educational agency can be counted for allocation purposes if the child was receiving and continues to receive a free appropriate public education, and the State educational agency transfers to the local educational agency in whose program the child participates an amount equal to the amount received by the State educational agency.

USE OF FUNDS: Funds must be used to supplement, not supplant state and local funds, and the agency receiving funds must maintain their fiscal effort.

Funds transferred by an SEA to an LEA for children who leave a State-operated or supported program

for the LEA program must be spent on services for the transfer children.

FY '91 APPROPRIATION: $148.86 million

ADDITIONAL RESOURCES: U.S. Department of Education, Office of Special Education and Rehabiliative Services. (1989). "To Assure the Free Appropriate Public Education of All Handicapped Children": Eleventh Annual Report to Congress on Implementation of Part B of the Education of the Handicapped Act. Washington, DC: Author.

U.S. General Accounting Office. (1989). Special Education: Congressional Action Needed to Improve Chapter 1 Handicapped Program. [Available from GAO, P.O. Box 6015, Gaithersburg, MD 20877, (202) 275-6241. Publication No. GAO/HRD-89-54.]

CHAPTER 1, FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN PART B, EVEN START PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES (20 U.S.C. 2741 - 2749)

Even Start programs are intended to improve educational opportunities of both children and adults by providing family-centered education programs involving parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

CONTACT AGENCY: Local education agency

CLIENT ELIGIBILITY: Parents who are eligible for participation in an adult basic education program under the Adult Education Act and children ages 1 to 7 inclusive, of eligible parents, provided such children reside in a school attendance area designated for participation in Part A of the Chapter 1 program, basic programs operated by local education agencies.

COVERED SERVICES AND ACTIVITIES: Identification and recruitment of eligible children; screening and preparation of parents and children for participation, including testing, referral to necessary counseling and related services; provision of support services (when unavailable from other sources) appropriate to the participants' work and other responsibilities, such as provision of child care for the period that parents are involved in the program and transportation to enable parents and their children to participate in the program; instructional programs that promote adult literacy, training parents to support the educational growth of their children, and preparation of children for success in regular school programs; and special training to enable staff to develop required skills.

SERVICE DELIVERY:

Services must be provided by qualified personnel, and if appropriate, in collaboration with institutions of higher education, community-based organizations, the appropriate State educational agency, private elementary schools, or otherappropriate nonprofit organizations.

Services should be delivered in the home if possible, but center-based services are also permitted.

FLOW OF FUNDS:

In any fiscal year in which the appropriations for this program do not equal or exceed $50,000,000, funds may be distributed to local educational agencies or consortia of such agencies. In any fiscal year in which the appropriation does exceed $50,000,000, funds are distributed through grants to States in the same proportion as funds allocated under Part A of Chapter 1 (Basic programs operated by local education agencies), except that no State may receive less than the greater of one-half of one percent of the appropriation or $250,000. No State will be allotted more than either 150% of the amount received in the preceding year, or an amount equal to the number of children in the State counted under this program multiplied by 150% of the national average per pupil payment made with funds available for this program, whichever is less.

USE OF FUNDS:

The Federal share under the Even Start program is limited to: not more than 90% of the total cost of the program in the first year the LEA receives assistance; 80% in the second year, 70% in the third year, and 60% in the fourth and any subsequent year.

Three percent of the funds allocated for this program are reserved for Even Start programs for children of migrant families.

Funds may not be used for indirect costs. The remaining cost may be obtained from any source other than funds made available for programs under Title I.

Even Start programs must be coordinated with other programs funded under Chapter 1 and Chapter 2 of Title I, with the Adult Education Act, the Education of the Handicapped Act, the Job Training Partnership Act, and with the Head Start program, volunteer literacy programs and other relevant programs.

FY '91 APPROPRIATION: $49.77 million

ADDITIONAL RESOURCES: Parents in Education. (May, 1989). Even Start: Questions and Answers. Hampton, NH: Parent Involvement Center.

CHAPTER 1, FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN PART A, BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES (20 U.S.C. 2711 - 2731)

Part A of the Chapter 1 program provides funds to assist local school districts in meeting the special educational needs of educationally-deprived children in low income areas.

CONTACT AGENCY: Local education agency

CLIENT ELIGIBILITY: Educationally deprived children (as defined by each local education agency) up to age 21 who are entitled to a free public education through grade 12 and children below school age who can benefit from an organized instructional program who attend schools with high concentrations of children from low-income families. Children receiving services to overcome a handicapping condition or limited English proficiency are also eligible for services if they have needs stemming from educational deprivation and not related solely to the handicapping condition or limited English proficiency.

COVERED SERVICES AND ACTIVITIES: Preschool through secondary programs designed to meet the special educational needs of educationally deprived children; equipment and instructional materials; books and school library resources; employment of special instructional personnel, school counselors, and other pupil services personnel, employment and training of education aides; bonus payments to teachers for service in schools serving project areas; training of teachers, librarians, other instructional and pupil services personnel, and, as appropriate, early childhood education professionals; the construction of school facilities where necessary; parental involvement activities; planning for and evaluation of funded

programs, and other expenditures authorized under this chapter such as transportation that is not normally provided to school children. Health care costs to treat health problems of Chapter 1 participants who are identified through observations of school personnel or diagnosed by other specialists are allowable under specific circumstances.

SERVICE DELIVERY:

As described in the required grant application. Programs must be designed in consultation with teachers, provide for parental involvement and be coordinated with the regular instructional program.

FLOW OF FUNDS:

Basic grants are made to LEAs based on the State's average per pupil expenditure and the number of children ages 5 to 17, inclusive, from low-income families and the number of children ages 5 to 17 inclusive, living in institutions for neglected or delinquent children but not counted under the Chapter 1 program for neglected and delinquent children.

Concentration grants are provided to each county which is eligible for a basic grant if the number of children from low-income families and eligible children living in institutions for the neglected and delinquent in the local educational agencies in the county exceeds 6,500, or the number of such children exceeds 15 percent of the total number of children ages 5 to 17, inclusive, in the school districts of the county.

USE OF FUNDS:

Funds must be targeted to children with the greatest needs for assistance.

LEAs must meet specific requirements for maintenance of fiscal effort and may use Chapter 1 funds only to supplement, not supplant non-Federal sources. Further, State and local funds must be used in the district to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in the district which are not receiving funds.

Up to five percent of an LEA's grant may be used for innovative projects, which may include only specific types of programs, such as continuation services, incentive payments to teachers and training of teachers and librarians.

FY '91 APPROPRIATION: $5,001.98 million

ADDITIONAL RESOURCES: Contact: U. S. Department of Education, Office of Special Education and Rehabilitative Services, Compensatory Education Services, 330 C Street, SW, Washington, DC 20202-6132, (202) 401-1682.

BILINGUAL EDUCATION ACT, PART A
FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS
(20 U.S.C. 3281 - 3292)

Part A of the Bilingual Education Act provides three year grants to assist local education agencies establish, operate and improve bilingual education programs designed to meet the educational needs of individuals of limited English proficiency.

CONTACT AGENCY: Local education agency

CLIENT ELIGIBILITY: Children in elementary and secondary schools who have sufficient difficulty speaking, reading, writing or understanding the English language such that they would be denied the opportunity to learn successfully in classrooms where the language of instruction is English or to participate fully in society. For some programs, funded under this part, limited English proficient adults and out-of-school youth are also eligible for services.

COVERED SERVICES AND ACTIVITIES: Programs of transitional bilingual education; programs of developmental bilingual education; special alternative instructional programs for students of limited English proficiency; programs of academic excellence; family English literacy programs; and bilingual preschool, special education, and gifted and talented programs preparatory or supplementary to other Federal education programs.

During the first 12 months of grants made for transitional bilingual education, programs of developmental bilingual education, and special alternative instructional programs for students of limited English proficiency, applicants may engage exclusively in preservice activities, including program design, materials development, staff recruitment and training, development of evalua-

tion mechanisms and procedures, and the operation of programs to involve parents in the educational program and to enable parents and family members to assist in the education of limited English proficient children.

SERVICE DELIVERY:

Services must be delivered by qualified personnel and may be provided through one or more local educational agencies or by institutions of higher education, including junior or community colleges, applying jointly with one or more local educational agencies.

For transitional bilingual education programs, developmental bilingual education programs, special alternative instructional programs, family English literacy programs and programs of academic excellence, specific program elements are prescribed.

FLOW OF FUNDS:

Grants are provided to local education agencies, or institutions of higher education, including junior or community colleges, applying jointly with one or more LEAs in a manner which will achieve an equitable distribution of assistance within the State in which an applicant is located. Priority is provided to applications which propose to assist limited English proficient children who have historically been underserved.

USE OF FUNDS:

At least 60 percent of the amount appropriated for all parts of the Bilingual Education Act must be reserved for Part A programs and from this amount, at least 75 percent must be reserved for programs of transitional bilingual education.

Federal funds provided under this program must supplement, not supplant state and local funds for special programs for children of limited English proficiency.

Grant funds must contribute toward building the capacity of the applicant to continue the program

when assistance under this title is reduced or no longer available.

FY '91 APPROPRIATION: $121.04 million

ADDITIONAL RESOURCES: Contact: U. S. Department of Education, Office of Bilingual Education and Minority Languages Affairs, MES Building, Room 5086, 330 C Street, SW, Washington, DC 20202-6510, (202) 732-5063.

CHAPTER 1, FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN
PART D, PROGRAMS OPERATED BY STATE AGENCIES
SUBPART 1 - PROGRAMS FOR MIGRATORY CHILDREN
(20 U.S.C. 2781 - 2783)

The Migrant Education program provides grants to States to establish or improve, either directly or through local education agencies, programs designed to meet the special educational needs of children of migratory agricultural workers or of migratory fishermen.

CONTACT AGENCY: State Education Agency

CLIENT ELIGIBILITY: Children ages 3 to 21 of migratory agricultural workers and fishermen. With the concurrence of the parents, a migratory child shall be considered to continue to be such a child for up to five years.

COVERED SERVICES AND ACTIVITIES: Programs and projects, including the acquisition of equipment, and where necessary the construction of school facilities, which are designed to meet the special educational needs, including the preschool education needs, of children of migratory agricultural workers or of migratory fishermen, and coordination of such programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of eligible children.

Other services authorized under this program include activities to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migrant students, operation of a system for the transfer among State and local educational agencies of records of migrant students (including individualized education programs approved under the Education of the Handicapped Act), and development of a national program of credit exchange and accrual for migrant students.

SERVICE DELIVERY:	Services may be delivered through a State Educational Agency or a combination of such agencies or through local educational agencies in accordance with programs and projects described in each State's grant application.
FLOW OF FUNDS:	Grants are awarded to State education agencies or a combination of such agencies based on the State's average per pupil expenditure and the estimated number of migratory children ages 3 to 21 inclusive, who reside in the State full time plus the fulltime equivalent of the estimated number of such migratory children ages 3 to 21 inclusive, who reside in the State parttime.
USE OF FUNDS:	Migrant education programs must be coordinated with programs under Section 418 of the Higher Education Act, Section 402 of the Job Training Partnership Act, the Education of the Handicapped Act, the Community Services Block Grant Act, the Head Start program, the Migrant Health program, and all other appropriate programs under the Departments of Education, Labor, and Agriculture. States must meet specific requirements for maintenance of fiscal effort and may use migrant education funds only to supplement, not supplant non-Federal sources.
FY '91 APPROPRIATION:	$294.60 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Education, Office of Special Education and Rehabilitative Services, Compensatory Education Office, 330 C Street, SW, Washington, DC 20202-6132, (202) 508-5366.

TECHNOLOGY-RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988 TITLE I, GRANTS TO STATES (29 U.S.C. 2201 - 2217)

This program provides discretionary grants to States to assist them in developing Statewide programs that facilitate the provision of assistive devices and services to disabled persons.

CONTACT AGENCY: As designated by the Governor of each applicant State

CLIENT ELIGIBILITY: Individuals who are considered to have a disability or handicap for the purposes of any Federal law or for the purposes of the law of the State in which the individual resides and who would be enabled by assistive technology devices or services to maintain a level of functioning or to achieve a greater level of functioning in any major life activity.

COVERED SERVICES AND ACTIVITIES: Identification and needs assessment of individuals requiring technology-related assistance, identification and coordination of resources, provision of assistive technology devices and assistive technology services, support of model delivery systems, performance of statewide needs assessment, creation or maintenance of support groups, development of public awareness programs, provision of training and technical assistance activities, development of a system for public access to technology-related information, and any other activities necessary for developing, implementing, or evaluating a statewide program of technology-related assistance.

SERVICE DELIVERY: States may use contracts, grants, and other arrangements with public agencies, private nonprofit organizations, and other entities or individuals for the purpose of providing assistive

technology devices and assistive technology services to disabled individuals.

FLOW OF FUNDS:

Three year grants are awarded to States on a competitive basis to develop and implement statewide programs. In the first fiscal year for which amounts were appropriated (FY 89) up to 10 grants were authorized. In the second fiscal year, up to 20 grants are authorized, and in the third fiscal year, any number of grants can be awarded.

Grants are awarded to States based on the population of the State and the types of activities proposed by the State relating to the development of a Statewide program of technology-related assistance. To the extent practicable, grants are awarded among States in a manner that is geographically equitable and distributes the grants among States that have differing levels of development of statewide programs of technology-related assistance.

Two-year extension grants may be awarded to any State that demonstrates that the State has made significant progress in developing and implementing a statewide program of technology-related assistance under this program.

USE OF FUNDS:

Amounts awarded under this program must be used to supplement amounts available from other sources.

FY '91 APPROPRIATION:

$21.50 million

ADDITIONAL RESOURCES:

U.S. Department of Education. State Grants Program for Technology-Related Assistance for Individuals with Disabilities; Rule (34 CFR Part 345). Federal Register, August 9, 1989

SOCIAL SECURITY ACT, TITLE XIX
GRANTS TO STATES FOR MEDICAL ASSISTANCE
SECTIONS 1901 to 1926
MEDICAID
(42 U.S.C. 1396)

Medicaid is a comprehensive health insurance program for low income individuals which is federally supported. It is an entitlement program with no federally imposed appropriation limit. The federal contribution is determined by the rate of state/federal match. All eligible persons are entitled to the benefits, as outlined in each state's Medicaid plan.

CONTACT AGENCY: The Health Care Financing Administration (HCFA), U.S. Department of Health and Human Services. Each state must designate "a single state agency" to administer the Medicaid program.

CLIENT ELIGIBILITY: Individuals with low incomes can qualify for Medicaid based on medical need, categorical need or through a waiver. In many cases, categorical need is linked to eligibility for Aid to Families with Dependent Children (AFDC) and/or Social Security Insurance (SSI). States have a good deal of discretion as to how they define medical need and the cap on allowable income is higher for this population than for categorically needy families. There are a number of waivers for which a state can apply which will allow them to provide coverage to a well-defined target group. The federal statute mandates coverage for pregnant women and children up to age 6 up to 133% of the federal poverty level. States may include all children under age six without consideration of family resources.

COVERED SERVICES AND ACTIVITIES: States have a good deal of discretion as to which services they will include in the state Medicaid Plan. Mandated services are inpatient hospital services, outpatient hospital services, rural health clinic services, other laboratory and x-ray services, skilled nursing facility services and home health

services for individuals 21 and older, early periodic screening, diagnosis and treatment for individuals under 21, family planning services and supplies, physician services, nurse midwife services. Optional services include: podiatrists services, optometrist services, chiropractic services, other practitioners services, private duty nursing, clinic services, dental services, physical therapy, occupational therapy, prescribed drugs, dentures, prosthetic devices, eyeglasses, diagnostic services, screening services, preventive services, rehabilitation services, Intermediate Care Facility services, ICF for mentally retarded, inpatient psychiatric for under age 22, Christian Science nurses and sanitoria, SNF for under age 21, emergency hospital services, personal care services, transportation services, case management services, and hospice services.

SERVICE DELIVERY: Each state sets criteria for provider certification and enrolls providers. Each type of service has its own specific criteria which providers must meet. Providers in each of the mandated service categories must be available throughout the state.

FLOW OF FUNDS: The federal contribution to the state Medicaid program is determined by the Federal Financial Participation Rate (FFP). The FFP denotes the percentage of federal dollars contributed which ranges from 50 to 80 percent. The FFP is determined by a complex formula which includes consideration of the state's per capita income. Reimbursement is based on actual expenditures for covered services provided to Medicaid eligible individuals. Administrative expenditures are reimbursed at a FFP of 50%. There is no cap on the funds available at the Federal level; states are reimbursed for any mandated or eligible individuals.

USE OF FUNDS: The state can only use non-federal resources to match the federal Medicaid allocation, e.g. state and local revenues, or, in some cases, private contributions.

FY '91 APPROPRIATION: $47,366.39 million

ADDITIONAL RESOURCES:

Fox, H. , Greaney, A., & Weader, R. (August 1989). State Strategies for Financing Medicaid Expansions to Meet the Needs of Children and Pregnant Women. Washington, DC: Fox Health Policy Consultants.

Fox, H., & Neiswander, L. (1988). Private Health Insurance Financing for Early Intervention Services. Washington, DC: Fox Health Policy Consultants.

Fox, H., & Neiswander, L. (1990). The Role of Medicaid and EPSDT in Financing Early Intervention and Preschool Special Education Services. Washington, DC: Fox Health Policy Consultants.

NEC*TAS. (1990). NEC*TAS Information Packet on the Financing of Early Intervention and Preschool Services. Chapel Hill, NC: NEC*TAS.

White, K., & Immel, N. (1990). Medicaid and Other Third-Party Payments: One Piece of the Early Intervention Financing Puzzle. Bethesda, MD: Association for the Care of Children's Health.

SOCIAL SECURITY ACT, TITLE XIX
GRANTS TO STATES FOR MEDICAL ASSISTANCE
SECTIONS 1902(a)(43) AND 1905(a)(4)(B)
MEDICAID'S EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT PROGRAM (EPSDT)
(42 U.S.C. 1396a AND 1396d)

The Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) is a required component of state Medicaid Programs. EPSDT provides comprehensive, well-child health care services and medically necessary treatment services to all Medicaid-eligible children ages birth through 21.

CONTACT AGENCY: The Health Care Financing Administration (HCFA), U.S. Department of Health and Human Services. Each state must designate "a single state agency" to administer the Medicaid program; some states may delegate responsibility for EPSDT to a different state agency, often Health.

COVERED SERVICES AND ACTIVITIES: Screening services include a comprehensive health screen including unclothed physical examination, health and developmental history, hearing and vision tests, immuni-zations, and any necessary laboratory tests. EPSDT also requires dental services, hearing services and vision services. Any diagnostic and treatment service, which is medically necessary to ameliorate a condition detected in a screen, and is available under the federal Medicaid statute must be provided, even if it is not included in the state Medicaid Plan.

SERVICE DELIVERY: Each state sets criteria for providercertification and enrolls providers. Each type of service has its own specific criteria which providers must meet. Providers in each of the mandated service categories must be available throughout the state. Providers cannot be limited only to those who can provide all elements of the EPSDT screen.

FLOW OF FUNDS: Since EPSDT is a required component of state Medicaid programs, the flow of funds is the same as the general Medicaid program.

USE OF FUNDS: Same as Medicaid.

FY '91 APPROPRIATION: There is no separate allocation for EPSDT, it is included within the general Medicaid appropriation.

ADDITIONAL RESOURCES:

Fox, H. , Greaney, A., & Weader, R. (August 1989). State Strategies for Financing Medicaid Expansions to Meet the Needs of Children and Pregnant Women. Washington, DC: Fox Health Policy Consultants.

Fox, H., & Neiswander, L. (1990). The Role of Medicaid and EPSDT in Financing Early Intervention and Preschool Special Education Services. Washington, DC: Fox Health Policy Consultants.

NEC*TAS. (1990). NEC*TAS Information Packet on the Financing of Early Intervention and Preschool Services. Chapel Hill, NC: NEC*TAS.

SOCIAL SECURITY ACT, TITLE V
MATERNAL AND CHILD HEALTH BLOCK GRANT
(42 U.S.C. 701)

This program provides block grants to States to maintain and strengthen their role in planning, promoting, coordinating and evaluating health care for mothers and children who do not have access to adequate health care. Historically, two programs were funded under Title V, the Maternal and Child Health Program, and the Program for Children with Special Health Care Needs (formerly known as the Crippled Children's Services Program). In most States, both programs are administered by the State health agency.

CONTACT AGENCY: State Health Agency

CLIENT ELIGIBILITY: States have discretion in defining client eligibility.

COVERED SERVICES AND ACTIVITIES: Funds may be used to provide health services and related activities, including planning, administration, education and evaluation activities. States are authorized to specifically use funds to: assure mothers and children access to quality maternal and child health services, reduce infant mortality and the incidence of preventable disease and handicapping conditions, reduce the need for in-patient and long-term care services, increase the number of children who are appropriately immunized, increase the number of low-income children receiving health assessments and follow-up services, promote the health of mothers and children, and to provide rehabilitation services for individuals under the age of 16 who are blind or disabled and receive Supplemental Security Income benefit.

Funds may also be used to provide assistance to children who are in need of special health care services by: making efforts to locate such children, assuring them medical, surgical, corrective and other support services and care; and assuring availability of facilities for diagnosis, hospitalization and aftercare.

SERVICE DELIVERY: States have discretion as to how services are delivered.

FLOW OF FUNDS: Eighty-five percent of the base appropriation is distributed to States based in part on each State's proportion of low-income children, ages birth through 21 and in part on each State's proportion of 1981 funding for the seven categorical programs which were combined into the block grant. States must develop a "fair method" for distribution of funds among competing programmatic priorities across needy populations.

USE OF FUNDS: States must assure that a substantial portion of the Title V allotment is used to provide health services to mothers and children. Charges for the provision of health services may be imposed, but not to low income mothers or children and only according to a sliding scale, based on income and family size.

Every four Federal dollars provided under this program must be matched with three dollars of State funds. "In-kind" matching is allowed, but Federal funds from other services may not be used to match the allocation.

The administering State agency must coordinate its activities under this program with the State's Early and Periodic Screening, Diagnosis, and Treatment program, other Medicaid services and other federal grant programs (e.g., nutrition, education, health).

FY '91 APPROPRIATION: $587.31 million

ADDITIONAL RESOURCES: Beckett, J. (1989). Health Care Financing: A Guide for Families. Iowa City, IA: National Maternal and Child Health Resource Center.

Ellison, M. L, Knoll, J., Bradley, V. J., & Moore, K. (December 1989). Financing Options for Home Care for Children with Chronic Illness and Severe

Disability: Technical Assistance Manual. Cambridge, MA: Human Services Research Institute.

Maternal and Child Health Studies Project. (n .d.). Understanding Title V of the Social Security Act: A Guide to the Provisions of Federal Maternal and Child Health Services Legislation. Vienna, VA: Information Sciences Research Institute.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT, PART B BASIC GRANTS TO STATES FOR PLANNING AND SERVICES (42 U.S.C. 6000)

Part B of the Developmental Disabilities Assistance and Bill of Rights Act provides grants to States to support the planning, coordinating and delivery of specialized services to persons with developmental disabilities. The program does not support direct services to individuals.

CONTACT AGENCY: State Developmental Disabilities Planning Council

CLIENT ELIGIBILITY: Not applicable.

COVERED SERVICES AND ACTIVITIES: Activities which will increase and support the productivity and integration into the community of persons with developmental disabilities. Funds may be used to: enhance system coordination and conduct activities to increase the capability of the service system to respond to the needs of persons with developmental disabilities; conduct studies or analyses, gather information, develop model policies and procedures and present the findings and conclusion of such studies to State policy-makers; demonstrate new ways to enhance the independence, productivity and integration of persons with developmental disabilities; conduct outreach activities for such persons to enable them to access services; train persons with developmental disabilities, their family members, volunteers, professionals, and students to access or provide services; and conduct activities to prevent disabilities from occurring and to expand services throughout the State.

SERVICE DELIVERY: Not applicable

FLOW OF FUNDS:	Funds are allocated to States based on State population, relative per capita income and Social Security childhood disabilities beneficiary data.
USE OF FUNDS:	At least 65 percent of the funds must be spent for activities related to priority service areas identified by the State Developmental Disabilities planning council, one of which must be employment. At the State's discretion, one or more of the following federal priority areas also may be addressed: community living, child development activities, case management, and/or family support services. States may spend money on model service delivery projects but expenditures for direct services are not encouraged.
FY '91 APPROPRIATION:	$64.41 million
ADDITIONAL RESOURCES:	Ellison, M. L., Bradley, V. J., & Moore, K. (December 1989). Financing Options for Home Care for Children with Chronic Illness and Severe Disability: Technical Assistance Manual. Cambridge, MA: Human Services Research Institute.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT, PART D GRANTS TO UNIVERSITY AFFILIATED PROGRAMS (42 U.S.C. 6061 - 6064)

This program provides discretionary grants to support University Affiliated Programs (UAPs) which provide interdisciplinary training for personnel serving the developmentally disabled, in areas of emerging national significance.

CONTACT AGENCY:	U.S. Department of Health and Human Services, Office of Human Development Services, Administration on Developmental Disabilities
CLIENT ELIGIBILITY:	Not applicable
COVERED SERVICES AND ACTIVITIES:	Research and training projects which assist personnel to address the needs of persons with developmental disabilities in areas of emerging national significance, particularly projects to train personnel in the areas of early intervention programs, programs for elderly persons with developmental disabilities, and community-based service programs.
SERVICE DELIVERY:	Training projects for early intervention programs must be for the purpose of assisting university affiliated programs in providing training to allied health personnel and other personnel who provide, or who will provide, interdisciplinary intervention to infants, toddlers, and preschool age children with developmental disabilities. These training projects must include instruction on methods of working and collaborating with professionals and families of persons with developmental disabilities. A wide range of clinical and early intervention services are prohibited as part of this training of professionals.

FLOW OF FUNDS:	Grants are made to University Affiliated Programs based on information relating to present and projected needs for the training of personnel based on identified State, regional, or national shortages of personnel, and the capacity of the University Affiliated Programs to train personnel.
USE OF FUNDS:	Funds can be used for the activities described under "service delivery" on the previous page except for direct services to children and families which cannot be reimbursed with grant funds.
FY '91 APPROPRIATION:	$13.91 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Health and Human Services, Office of Human Development Services, Administration of Developmental Disabilities, 200 Independence Avenue, SW, Washington, DC 20201, (202) 245-2890.

HEAD START ACT
(42 U.S.C. 9831 - 9852)

The Head Start program provides comprehensive health, education, nutrition, social and other services to economically disadvantaged preschool children and their families to assist the children cope with school and attain greater social competence and to enhance parent-child interaction.

CONTACT AGENCY: Regional offices of the U.S. Department of Health and Human Services, Office of Human Development Services, Administration for Children, Youth, and Families, Head Start Bureau

CLIENT ELIGIBILITY: Generally, eligibility is limited to children between 3 years of age and the age of compulsory school attendance who are from low-income families. However, to a reasonable extent, children in the area served who would benefit from the program but whose families do not meet the low-income criteria can also participate (at least 90% of the children must be from low-income families). In addition, at least 10% of the total number of enrollment opportunities in each State must be made available to children with handicaps.

Migrant Head Start programs can serve children from birth to 5 years of age. Parent child centers serve children from birth to 2 years of age.

COVERED SERVICES AND ACTIVITIES: Educational and learning experiences including bilingual staff where necessary; comprehensive health care, including early identification of health problems through medical and dental screenings, follow-up treatment of medical or dental problems, parent education on health care and nutrition, mental health services, and one hot snack per day; parent involvement through parent education, volunteer or paid positions in the Head Start program and participation in Policy Councils and

Committees concerned with administrative and managerial decisions; and social services such as community outreach, information and referrals, family needs assessments, recruitment and enrollment of children, and emergency assistance and/or crisis intervention. In addition, services must be provided to meet the special needs of children with handicaps participating in the program.

SERVICE DELIVERY:

Head Start programs may follow a standard model of a five day week with full day sessions although alternative program types may be selected, such as part-time programs, a home-based model (where the parent is the focus as the primary factor in the child's development and the home is the central facility) or another locally designed option which is suited to meet the needs of children and families in a particular community.

FLOW OF FUNDS:

Thirteen percent of the total appropriation for this program is reserved for specific purposes, in the following priority order: Indian and migrant Head Start programs and services for children with handicaps children, payments to the territories, training and technical assistance activities and discretionary payments. The remaining 87 percent is allocated to States so that each State receives an amount equal to the amount the State received for fiscal year 1981. From any remaining funds, 33 1/3 percent is allocated to states on the basis of the State's national proportion of children from birth through 18 years of age on whose behalf payments are made under the program of aid to families with dependent children and 66 2/3 percent is distributed on the basis of the State's national proportion of children from birth through 5 years of age living in families with incomes below the poverty line.

USE OF FUNDS:

Federal assistance provided under the Head Start program may not exceed 80 percent of the approved costs of the program. Non-Federal contributions may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

Services provided under this program must be in addition to, and not in substitution for, comparable services previously provided without Federal assistance.

The benefits of this program must be distributed equitably between residents of rural and urban areas.

The costs of developing and administering a Head Start program may not exceed 15 percent of the total cost of the program.

Payments for medical or dental services may not be made with Head Start funds if funding is available from non-Head Start sources.

FY '91 APPROPRIATION: $1,951.80 million

ADDITIONAL RESOURCES: Ellison, M.L, Knoll, J., Bradley, V.J., & Moore, K. (December 1988). Financing Options for Home Care for Children With Chronic Illness and Severe Disability: Technical Assistance Manual. Cambridge, MA: Human Services Research Institute.

SOCIAL SECURITY ACT, TITLE IV-B
CHILD WELFARE SERVICES
(42 U.S.C. 620 - 628)

Title IV-B of the Social Security Act provides Federal funds to assist States establish, extend and strengthen child welfare services.

CONTACT AGENCY: State child welfare agency

CLIENT ELIGIBILITY: Any child or family in need of child welfare services.

COVERED SERVICES AND ACTIVITIES: Services which are directed toward the following purposes: (a) protecting and promoting the welfare of all children including children with handicaps, homeless, dependent, or neglected children; (b) preventing or remedying problems which may result in the neglect, abuse, exploitation, or delinquency of children; (c) preventing the unnecessary separation of children from their families; (d) restoring to their families children who have been removed; (e) placing children in suitable adoptive homes, when necessary; and (f) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption. Such services include 24-hour emergency caretaker and homemaker services; day care; crisis counseling; individual and family counseling; emergency shelters; procedures and arrangements for access to emergency financial assistance; arrangements for the provision of temporary child care; home family services; self-help groups; services to unmarried parents; mental health, drug or alcohol counseling; vocational counseling or rehabilitation; and post-adoption services.

Grants are also provided for research, training and demonstration projects which are of regional or national significance with respect to child welfare services.

SERVICE DELIVERY:	To receive incentive funds, a State is required to: conduct an inventory of children who have been in foster care for over 6 months; implement a statewide information system on children in foster care; initiate a case review system that includes each child in foster care; and implement a service program designed to help children return to families or be placed for adoption or legal guardianship.
FLOW OF FUNDS:	Each State receives a base amount of $70,000. Then, the first $141 million of the Title IV-B appropriation is allotted based on each state's relative per capita income and the population under 21 years of age. A state may receive up to 75% of the total amount expended under their state plan for meeting the costs of State, district, county, or other local child welfare services. Any appropriation over $141 million is allocated as incentive funds, using the same formula, but only to states satisfying specific requirements.
USE OF FUNDS:	Funds can be used for protective services, personnel, child care agency licensing, assistance in the home, prevention, reunification of families, return of runaways. Funds available for day care, foster care and adoption assistance are limited.
FY '91 APPROPRIATION:	$273.25 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Health and Human Services, Office of Human Development Services, Children's Bureau, MES Building 2070, 330 C Street, SW, Washington, DC 20201, (202) 245-0618.

SOCIAL SECURITY ACT, TITLE XX
BLOCK GRANTS TO STATES FOR SOCIAL SERVICES
(42 U.S.C. 1397 - 1397f)

Title XX of the Social Security Act provides funds to states to enable each state to furnish a variety of social services directed toward one of five goals: (1) prevent, reduce or eliminate dependency; (2) achieve or maintain self-sufficiency; (3) prevent neglect, abuse or exploitation of children and adults; (4) prevent or reduce inappropriate institutional care; and (5) secure admission or referral for institutional care when other types of care are not appropriate.

CONTACT AGENCY: State social service agency

CLIENT ELIGIBILITY: Each state determines eligibility for services.

COVERED SERVICES AND ACTIVITIES: Services may include but are not limited to: child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, employment services, information, referral and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, elderly persons and those with mental retardation, blind, emotional disturbances, physical handicaps, or alcohol or drug dependency. Expenditures may also be made for administration, personnel training and retraining, conferences or workshops, and the purchase of technical assistance if required to develop, implement or administer the program.

SERVICE DELIVERY: States have broad discretion in determining how services will be delivered.

FLOW OF FUNDS:	Each state receives a grant using a population based formula. Services are 100% federally funded, but the federal allotments to individual states are limited by a federal authorization cap. States must submit approved plans of service to receive funding.
USE OF FUNDS:	A state may transfer up to ten percent of its allotment for any fiscal year to other federal block grant programs, such as maternal and child health services, and block grants for preventive health and health services.
FY '91 APPROPRIATION:	$2,800.00 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Health and Human Services, Office of Human Development Services, Office of Policy Planning and Legislation, 200 Independence Avenue, SW, Humphrey Building 326F, Washington, DC 20201, (202) 245-6275 .

PUBLIC HEALTH SERVICE ACT, TITLE XIX, PART B
ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT
(42 U.S.C. 300x - 300x-9)

The Alcohol, Drug Abuse and Mental Health Services Block Grant program provides funds to States to support projects for the development of more effective prevention, treatment and rehabilitation programs and activities in the areas of alcohol and drug abuse and provides grants to support community mental health centers and for mental health services.

CONTACT AGENCY:	State mental health and/or substance abuse agency
CLIENT ELIGIBILITY:	As determined by each State
COVERED SERVICES AND ACTIVITIES:	Planning, establishing, maintaining, coordinating, and evaluating projects for the development of more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse. Allowable mental health services include: outpatient services; 24-hour emergency care services; day treatment or other partial hospitalization services; screening for patients being considered for admission to State mental health facilities; consultation and education services; and coordination of mental health and health care services provided within health care centers.
SERVICE DELIVERY:	States have discretion as to service delivery.
FLOW OF FUNDS:	Funds are provided to States based on population and relative per capita income. States are required to spend about the same percentage for mental health and substance abuse services as they did under the categorical programs.
USE OF FUNDS:	The amount allotted for mental health must be used to support community mental health centers

previously funded under the Community Mental Health Centers Act. Of the amount allotted for substance abuse, not less than 35 percent must be used for activities related to alcoholism and alcohol abuse, not less than 35 percent for drug abuse activities and not less than 20 percent for prevention and early intervention activities to discourage the abuse of alcohol or drugs, or both.

Not more than 10 percent of a State's allotment can be used to administer block grant funds.

Federal funds provided under this program must be used to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of Federal funds be made available for the programs and activities for which funds are provided and will in no even supplant State, local, and other non-Federal funds.

FY '91 APPROPRIATION: $1,268.67 million

ADDITIONAL RESOURCES: Contact: U.S. Department of Health and Human Services, Public Health Service, Alcohol, Drug Abuse and Mental Health Administration, Office of State and Community Liaison, 5600 Fishers Lane, Rockville, MD 20857, (301) 443-3783.

PUBLIC HEALTH SERVICE ACT, SECTION 330
COMMUNITY HEALTH CENTERS
(42 U.S.C. 254c)

Section 330 of the Public Health Service Act provides project grants to support the development and operation of community health centers which provide primary health services and supplemental health services including hospital care health services to medically underserved populations.

CONTACT AGENCY: Regional offices of the U.S. Department of Health and Human Services, Public Health Service

CLIENT ELIGIBILITY: All medically underserved populations.

COVERED SERVICES AND ACTIVITIES: Primary health services, supplemental health services necessary for the adequate support of primary health services as appropriate; referral to providers of supplemental health services and payment for the provision of such services, as appropriate and feasible; environmental health services, as appropriate; and information on the availability and proper use of health services. Authorized primary health services include the services of physicians and, where feasible, those of physician assistants and nurse clinicians; diagnostic laboratory and radiologic services, preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction and well-child services); emergency medical services; transportation services required for adequate care; preventive dental services; and, as appropriate, pharmaceutical services.

SERVICE DELIVERY: Services are provided directly through community health centers.

FLOW OF FUNDS: Annual awards are made by the Public Health Service, Health Resources and Services Adminis-

tration. Grants are made to state and regional primary care associations and public or private entities.

USE OF FUNDS: From state funds, each state must make available to community health centers, an amount equal to one-third of its federal allotment under this program.

The cost of services must be adjusted to the patient's ability to pay.

FY '91 APPROPRIATION: $443.34 million

ADDITIONAL RESOURCES: Contact: U.S. Department of Health and Human Services, Public Health Service Department, Community Health Centers Program, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857, (301) 443-1890.

INDIAN HEALTH CARE IMPROVEMENT ACT
(25 U.S.C. 1601 - 1675)

This program is intended to improve the services and facilities of Federal Indian health programs and encourage maximum participation of Indians in such programs through a direct health care delivery system.

CONTACT AGENCY:	Indian Health Service, U.S. Department of Health and Human Services
CLIENT ELIGIBILITY:	Enrolled tribal members who live within a Contract Health Service Delivery Area.
COVERED SERVICES AND ACTIVITIES:	Patient care, prenatal and postnatal care, well-baby care, family planning, dental care immunizations, and health education services.
SERVICE DELIVERY:	Services can be provided through a direct health care delivery system, a tribal health care delivery system which is administered by tribes and tribal groups through contracts with the Indian Health Service, and the purchase of contract care from non-tribal providers.
FLOW OF FUNDS:	Funds are allocated based on the amount of funds area programs spent in the previous fiscal year, current program expenditures, and area funding priorities.
USE OF FUNDS:	Funds are used to build the capacity for tribes to manage and staff their own health programs.
FY '91 APPROPRIATION:	$1,411.17 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Health and Human Services, Indian Health Service Department, Public Health Service Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857, (301) 443-1087.

PUBLIC HEALTH SERVICE ACT, SECTION 329
MIGRANT HEALTH CENTERS
(42 U.S.C. 254b)

The Migrant Health Centers program provides comprehensive primary health care to migrant and seasonal farm workers and their families.

CONTACT AGENCY:	Regional offices of the U.S. Department of Health and Human Services, Public Health Services
CLIENT ELIGIBILITY:	Migrant and seasonal farm workers and their families.
COVERED SERVICES AND ACTIVITIES:	The services of physicians and, where feasible physicians' assistants and nurse clinicians; diagnostic laboratory and radiology services; preventive health services, including children's eye and ear examinations, perinatal services, well-child services and family planning services; and emergency medical services.
SERVICE DELIVERY:	Projects may provide services through a full year-round primary health care program; through a seasonal or temporary program, with services provided by a physician and/or nurse and specialty referral; or through a seasonal program that provides services with local health providers on a contractual arrangement.
FLOW OF FUNDS:	Public, private and nonprofit organizations may apply for funds. Priority is given to those community-based organizations from representative populations. No entity can receive more than two grants for planning and development of a migrant health center.

USE OF FUNDS:	Funds may be used to modernize and/or acquire new buildings. Primary and supplementary health services include limited hospitalization. Money can be used to enforce environmental health standards, and to conduct projects or studies.
FY '91 APPROPRIATION:	$51.72 million
ADDITIONAL RESOURCES:	Contact: U.S. Department of Health and Human Services, Public Health Service Department, Migrant Health Centers Program, Parklawn Building, 5600 Fishers Lane, Rockville MD 20857, (301) 443-1890.

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT, TITLE VI-A CATEGORICAL GRANTS FOR PRIMARY HEALTH SERVICES AND SUBSTANCE ABUSE SERVICES (42 U.S.C. 256)

Title VI-A of the Stewart B. McKinney Homeless Assistance Act authorizes health care services for the homeless through categorical grants for primary health services and substance abuse services.

CONTACT AGENCY:	Regional office of the U.S. Department of Health and Human Services
CLIENT ELIGIBILITY:	Homeless individuals, defined as individuals who lack housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations. Individuals who have received services under this program and become residents in permanent housing are eligible for services for not more than 12 months.
COVERED SERVICES AND ACTIVITIES:	Health services, including primary health services and substance abuse services, emergency health services, referral as appropriate to medical facilities for necessary hospital services or mental health services, outreach services, and activities to aid homeless individuals in establishing eligibility for assistance and in obtaining services under entitlement programs. Grantees may also provide mental health services to homeless individuals.
SERVICE DELIVERY:	Services may be provided through public or nonprofit private entities in locations accessible to homeless individuals, and at all hours for emergency services.

FLOW OF FUNDS: Upon application approval, grants are provided to public or nonprofit private entities that provide direct health services.

USE OF FUNDS: Beginning October 1, 1989, grants for this program may not exceed 66 2/3 of the costs of providing services. In addition, grantees are required to contribute from non-Federal sources not less than $1 (in cash or in kind contributions) for each $2 of Federal funds provided.

Health services must be provided without regard to ability to pay and if a charge is imposed, it must be made according to a schedule of charges that is made available to the public, will not be imposed on any homeless individual with an income less than the official poverty level, and will be adjusted to reflect the income and resources of the individuals involved.

Not more than 10 percent of the amount received under this program may be used for administrative purposes.

FY '91 APPROPRIATION: Contact: U. S. Department of Health and Human Services, Public Health Service, Alcohol, Drug Abuse and Mental Health Services Administration, 5600 Fishers Lane, Rockville, MD 20857, (301) 443-3706.

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT, TITLE VI-B BLOCK GRANT FOR COMMUNITY MENTAL HEALTH SERVICES (42 U.S.C. 290cc-21 - 290cc-36)

This program provides funds for the provision of community mental health services to homeless individuals who are chronically mentally ill.

CONTACT AGENCY:	Regional office of the U.S. Department of Health and Human Services
CLIENT ELIGIBILITY:	Individuals who are homeless or who are subject to a significant probability of becoming homeless.
COVERED SERVICES AND ACTIVITIES:	Outreach services to chronically mentally ill individuals, community mental health services, diagnostic services, crisis intervention services, habilitation and rehabilitation services and referral of individuals as appropriate to medical facilities for necessary hospital services. Funds may also be used for training of individuals who provide services to homeless individuals, case management services, and supportive and supervisory services to homeless individuals in residential settings not supported under other Federal programs.
SERVICE DELIVERY:	States have discretion as to service delivery.
FLOW OF FUNDS:	Each state is eligible to receive at least $275,000 or a greater amount based on the proportion of the State population living in urbanized areas. Additional funds are available for the provision of community-based mental health services to homeless individuals who are chronically mentally ill and for the development and expansion of alcohol and drug abuse treatment services for homeless individuals.

USE OF FUNDS:	The State may not spend more than 4 percent of the funds received under this program for administration. Funds may not be used for (a) inpatient services (b) cash payments to purchase and/or improve real estate, and (c) purchase major medical equipment.
FY '91 APPROPRIATION:	$26.15
ADDITIONAL RESOURCES:	Contact: U. S. Department of Health and Human Services, Health Resources and Services Administration, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857, (301) 443-1890.

COMPREHENSIVE CHILD DEVELOPMENT ACT
(42 U.S.C. 9881 - 9887)

The Comprehensive Child Development Program supports projects which provide intensive, comprehensive, integrated and continuous supportive services for infants, and young children from low-income families to enhance their intellectual, social, emotional and physical development and offer support to their parents and other family members. The program also provides one year planning grants to eligible agencies.

CONTACT AGENCY: U.S. Department of Health and Human Services, Office of Human Development Services, Administration on Children, Youth and Families

CLIENT ELIGIBILITY: Low-income children from birth to compulsory school age and their families

COVERED SERVICES AND ACTIVITIES: Infant and child health services including screening and referral, child care that meets State licensing requirements, early childhood development programs, early intervention services for children with or at risk of developmental delays, and nutritional services. Also authorized are services designed to better enable parents and other family members to contribute to their child's healthy development, including prenatal care, education in infant and child development, health, nutrition, and parenting, referral to education, employment counseling and training as appropriate, and assistance in securing adequate income, support, health care, nutritional assistance, and housing.

SERVICE DELIVERY: Services may be delivered by a Head Start agency, an agency that is eligible to be designated as a Head Start agency, a community-based organization, an institution of higher education, a public hospital, a community development corporation, or a public or private nonprofit agency or organization specializing in delivering social services to infants or young children.

Eligible agencies must coordinate their activities with appropriate State and local public agencies, nonprofit private organizations involved in the delivery of intensive and comprehensive support services and with local educational agencies.

FLOW OF FUNDS:

Up to $35,000 can be awarded to an eligible agency for a one year planning grant. Not more than 30 planning grants will be funded.

Operating grants are made to eligible agencies which have an approved planning grant application, for 80% of the cost of activities described in an agency's application. At least 10, but not more than 25 eligible agencies will be funded through contracts, agreements, or other arrangements.

USE OF FUNDS:

The non-Federal share of activity costs may be provided in cash or in kind.

FY '91 APPROPRIATION:

$24.40 million

ADDITIONAL RESOURCES:

Contact: U.S. Department of Health and Human Services, Office of Human Development Services Administration on Children, Youth and Families, 330 C Street, SW, Washington, DC 20201, (202) 245-0354.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT, PART C GRANTS TO PROTECTION AND ADVOCACY SYSTEMS (42 U.S.C. 6000)

Part C of the Developmental Disabilities Assistance and Bill of Rights Act provides grants to states for the establishment of a system to protect the rights of persons with developmental disabilities.

CONTACT AGENCY:	State protection and advocacy agency
CLIENT ELIGIBILITY:	Not applicable
COVERED SERVICES AND ACTIVITIES:	Legal, administrative, and other appropriate remedies or approaches to ensure the protection of and advocacy for the rights of persons with developmental disabilities, dissemination of information on and referral to programs and services addressing the needs of persons with developmental disabilities; investigation of incidents of abuse and neglect of persons with developmental disabilities; and establishment of a grievance procedure for clients or prospective clients of the system.
SERVICE DELIVERY:	States have discretion as to how the services listed above are delivered.
FLOW OF FUNDS:	States are allotted a minimum of $200,000 for a state protection and advocacy system.
USE OF FUNDS:	Funds may be utilized for administration, state or local planning, or assistance to private, nonprofit or public organizations. Funds for administration may not exceed $50,000 or 5%, which ever is less.
FY '91 APPROPRIATION:	$20.98 million

ADDITIONAL RESOURCES: Contact: The National Association of Protection and Advocacy Systems, Inc. 900 2nd Street, NE, Washington, DC 20002, (202) 408-9514.

CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS) (10 U.S.C. 1071-1104)

CHAMPUS is a part of the Department of Defense Military Health Services System. This System provides medical care primarily through military health care facilities, supplemented by CHAMPUS. CHAMPUS shares the cost for certain prescribed services and items obtained from civilian sources which could not be provided by a military facility. The scope of System benefits is governed by Federal statute.

CONTACT AGENCY: Office of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), Department of Defense, Aurora, CO 80045-6900.

CLIENT ELIGIBILITY: Persons eligible for CHAMPUS are retired members and dependents of an active duty or retired member of a Uniformed Service authorized by statute. Eligibility is determined by each Uniformed Service (the armed forces and the Commissioned Corps of the National Oceanic and Atmospheric Administration and of the Public Health Service). These individuals, in addition to active duty Uniformed Services personnel, are also eligible for military health facility care. Active duty Uniformed Service members have priority access to military health facilities.

COVERED SERVICES AND ACTIVITIES: The CHAMPUS benefit includes generally the same types of care as military health facilities, are authorized to provide, *but with many specific limitations and exclusions*. Military health care facilities are authorized to provide medically necessary hospitalization; outpatient care; drugs; treatment of medical, surgical, nervous mental, chronic, and contagious conditions; physical and eye examinations; immunizations; maternity and infant care; diagnostic tests and services; dental care; ambulance service; home calls; and durable equipment. The

CHAMPUS consists of the Basic Program, a general medical-surgical benefit, and a Program for the Handicapped (PFTH) which provides up to $1,000 per month for certain handicap-related needs of a dependent of an active duty Uniformed Service Member with moderate or severe mental retardation or a serious physical handicap. The PFTH provides a lower beneficiary cost-share amount than the Basic Program, no deductible amount, and, unlike the Basic Program, includes certain habilitative benefits. A distinctive aspect of the PFTH is the statutory requirement that to qualify for PFTH benefits, beneficiaries must use public facilities to the extent they are available and adequate.

SERVICE DELIVERY: No direct services or items are provided by CHAMPUS.

FLOW OF FUNDS: CHAMPUS funds are appropriated annually by Congress to each Uniformed Service. Claims filed by, or on behalf of, the CHAMPUS beneficiary are adjudicated by CHAMPUS fiscal intermediaries to determine the government's share of the cost. The allowable payment is made to the beneficiary or, under certain circumstances, to the provider of care.

USE OF FUNDS: CHAMPUS funds are used to share the cost of medically necessary services and items authorized or governed by Federal statute.

FY '91 APPROPRIATION: $2,880.60 million

ADDITIONAL RESOURCES: Beckett, J. (1989). Health Care Financing: A Guide for Families. Iowa City, IA: National Maternal and Child Health Resource Center.

Regulations governing the CHAMPUS Program are found at 32 CFR 199.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC) CHILD NUTRITION ACT, SECTION 17 (42 U.S.C. 1786)

WIC is a program of the Department of Agriculture which makes special foods with high nutritional content available to pregnant women, breast feeding mothers, and young children on a weekly basis.

CONTACT AGENCY:	Regional Offices of the Food and Nutrition Service, U.S. Department of Agriculture
CLIENT ELIGIBILITY:	Pregnant and post-partum women, and infants and children up to age 5, who are at-risk nutritionally (as determined by a competent professional), and who meet state determined income eligibility criteria. Recipients must be state residents.
COVERED SERVICES:	To allow clients to purchase certain supplemental foods with high nutritional content or to redeem vouchers to purchase such foods. These foods include milk, eggs, formula, and iron-fortified cereals.
FLOW OF FUNDS:	Grants are made to states based on a formula which includes consideration of the current and anticipated cost of food, and the cost of administration. The grants are usually made to the state department of health, or a comparable agency. Local public, nonprofit and/or private health or welfare agencies make supplemental foods available to clients.
USE OF FUNDS:	Twenty percent of the grant may be used for administration at the state level. The remainder must be used to provide vouchers or supplemental foods.
FY '91 APPROPRIATION:	$2,350.00 million
ADDITIONAL RESOURCES:	"WIC State Plan Guidance" is available free of charge from Food and Nutrition Service (FNS): Supplemental Food Programs Division, FNS, Department of Agriculture, Alexandria, VA 22302.

STATE AND LOCAL RESOURCES

Most of this appendix discusses potential resources for providing or paying for early intervention and preschool services which are financed partially or in full by federal funds and must therefore follow federal rules and regulations. Even more services, however, are funded solely by state and local revenues. This section describes a number of these potential resources.

SPECIAL EDUCATION FUNDS:

Every state funds programs for the provision of special education and related services for children with handicaps. All state and local programs must operate within the federal requirements set forth by the Education of the Handicapped Act and implementing regulations, but states have some latitude as to the population that must be served and how services will be delivered. Each state distributes funds differently for special education programs, and the state and local share of the program costs also varies from state to state. Despite the fact that state special education programs must operate within the requirements set forth by EHA, the federal contribution to such programs averages only around 10% of the total cost of providing special education in most states.

All state special education programs are administered by the state education agency, which should be able to provide further information on the services available under state and locally funded programs. State or local early intervention services may be administered by the education agency or another agency (e.g., health, human resources).

OTHER EDUCATION FUNDS:

Most states offer other educational programs which provide services for special needs children and may include support for early intervention and preschool services. Some of these programs may serve a population which is not eligible for services under federally mandated special education programs, such as a program for slow learners. Other education programs commonly provided

with state and local resources are programs for the educationally disadvantaged and programs for students with limited English proficiency. Increasingly, states are serving the at-risk preschool population as well. Many such programs are offered statewide, while others may exist only at the local level. The state or local education agency should be able to provide further information on the availability of these services.

PUBLIC HEALTH/MENTAL HEALTH FUNDS:

States and localities provide and fund a variety of services for young children in addition to federally funded programs such as Medicaid and Title V Maternal and Child Health programs. These programs range from well baby clinics and health education services to residential facilities and intensive case management services. Many of these programs are targeted to young children with special needs and their families. Often, they are operated by local public health agencies and/or community mental health centers. These local agencies or their counterparts at the state level can be contacted for information on eligibility requirements and services available. Note that state mental health agencies may be part of the state public health agency, independent, or combined into larger agencies with other services such as developmental disabilities or social services.

TARGETED APPROPRIATIONS FOR CHILDREN:

For a variety of reasons, states and local governments make funds and services available to meet the special needs of certain children or other specific target groups. For example, communities with high incidences of lead poisoning or AIDS try to meet the particular needs of children with these problems by combining their own funds with appropriations from their state and federal governments. Also, several states combine a number of health, social service, vocational, mental health and other services into a consolidated state agency for children. Interagency collaboration between education and children's agencies may be able to enhance the provision of coordinated

services to meet the needs of children with or at-risk for handicapping conditions at the same time.

SPECIALLY TARGETED REVENUE:

When a strong need to provide a particular set of services arises in a state, the governor and legislature may want to use an alternative funding methodology instead of using more traditional taxing powers (e.g., income, sales, property). Two examples are using a percentage of the revenue generated by a state lottery, or asking taxpayers to designate a small portion of their potential income tax refund for a particular cause by checking a box on their state income tax return form. These funds are usually designated for specific purposes such as a sports stadium or veterans' services, but can be aimed at children (e.g., child abuse protection in Illinois).

FOSTER CARE/PROTECTIVE SERVICES/CHILD WELFARE FUNDS:

Primary responsibility for providing services to children in the protective service and foster care system rests with state and local agencies. In some cases children served by these systems also become eligible for services from other state programs such as Medicaid. Also, many of the services available to children in the child welfare system may be identical to the early intervention services listed in an Individual Family Service Plan (IFSP). Maximizing use of these potential resources requires close collaboration at the state and local levels. The case management system for Part H will have to make information on these services available during the IFSP process.

MENTAL RETARDATION/ DEVELOPMENTAL RETARDATION FUNDS:

Similar to the other potential funding resources described in this section, states, and some localities, provide numerous services for children with developmental disabilities which overlap the early intervention and preschool services required by P.L. 99-457. Because of the high likelihood of this overlap in both eligibility and services, close collaboration is essential.

NON-GOVERNMENTAL RESOURCES

Even with the extensive array of services for children with special needs and their families provided or funded by governments at all levels, a major portion of the needs of these families are met by organizations and agencies in the private sector. While all agencies face some government regulations, these nongovernmental organizations are generally free to decide who they will serve and what services they will provide. Since these resources are essential for any early intervention and preschool financing system under P.L. 99-457, planners must learn which agencies offer which constellation of services to young children and their families, and include many of them in the systems that they are developing.

PRIVATE INSURANCE:

Many families are covered by private insurance policies, either provided through their employers or purchased independently. Since Section 619 is within Part B of EHA, costs for IEP services cannot be charged to parents through insurance co-payments, deductibles, and reductions in annual or lifetime caps in coverage. Part H prohibits family participation in the cost of identification, assessment, development of the IFSP or assuring procedural safeguards are implemented, but it does allow parents who have significant resources to share in the cost of providing services listed in the IFSP. (The section on sliding fee scales below discusses this further.)

Insurance policies vary widely. Group policies tend to offer broader coverage with fewer restrictions. Individual insurance policies are not often available for children with special needs, or may exclude conditions relating to the child's handicapping condition. Many large employers are self-insured and, due to the federal Employment Retirement Income and Security Act (ERISA) law, they cannot be regulated by state insurance commissions. While these self-insurers may limit these services they will cover, they also are free to make exceptions to their general policies and provide any specific service for the child of one of their employees.

HEALTH MAINTENANCE ORGANIZATIONS, PREFERRED PROVIDER ORGANIZATIONS AND OTHER MANAGED CARE:

Health Maintenance Organizations (HMOs) are similar to private insurance providers in that they provide medical and related coverage, but they also provide most covered services directly. Therefore, HMO participants generally are limited to seeking services from providers who participate in the HMO; services provided in schools or other settings. Preferred Provider Organizations (PPOs) are modifications of the HMO concept where better coverage is available from participating (preferred) providers, but where members are free to use any other provider if they are willing to pay a higher share of the cost (often a 20 to 30% co-payment for using nonparticipating providers). The health insurance industry is undergoing a long change process and new managed care options (variations of HMOs and PPOs) are being offered each month.

VOLUNTARY HEALTH AGENCIES:

This country has a long history of community organizations working to meet the needs of special groups of people. A variety of voluntary health agencies provide a wide assortment of specialized services to young children with special needs and their families. In many cases they provide services directly while in others they raise funds to pay for services needed by specific groups of children. Examples include state and local chapters of the Easter Seal Society, the National Foundation March of Dimes, United Cerebral Palsy, and the Association for Retarded Citizens. Other organizations are formed in local communities and are not affiliated with national organizations.

FOUNDATIONS AND CORPORATE GIVING PROGRAMS:

Most communities have a number of families and local businesses that establish foundations to assist

charitable causes in their communities. They often can be approached to assist with the development of needed services in their communities or to help pay for services for a particular child that are not generally available in their communities. Many businesses also set aside a portion of their profits for local charities. Larger foundations and businesses also can be approached, but generally require a formal written application and may publish a list of funding priorities. Look for those organizations that are interested in funding health and education programs for young children.

FAMILIES - SLIDING FEE SCALES:

This category applies only to Part H programs, as Part B, Section 619 prohibits family participation in the cost of providing a free, appropriate public education. Part H, however, does allow for the family to share in the cost of early intervention services, but only once the IFSP is developed. In order for a sliding fee scale to be used, it must be established in state or federal law. Title V of the Social Security Act requires sliding fee scales for MCH programs, but most sliding fee scales are established at the discretion of state legislatures. Also, states with birth mandates cannot implement sliding fee scales for services required under Part B of EHA.

VOLUNTARY SERVICE PROGRAMS:

This category refers to organizations in all communities which may be founded for a variety of purposes (social, service, recreation, etc.) but take on service project on a regular or periodic basis. For example, Lions Clubs raise funds and provide services for the blind and Shriners provide an extensive array of crippled children's services. churches, synagogues, and other local organizations undertake numerous service projects in their communities. They often can be called upon to fund or arrange for services for which no other funding source can be identified.

COMMUNITY SERVICE AGENCIES:

Community service agencies are another resource that can help meet the specific needs of young children with special needs and their families. Talk with your colleagues to determine the best way to tap into these resources in your state and communities.

APPENDIX C

Additional Resources

APPENDIX C

ADDITIONAL RESOURCES

American Association of University Affiliated Programs for the Developmentally Disabled. (1981). *Community Workbook for Collaborative Services to Preschool Handicapped Children*. Washington, DC: Author.

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Sharing of Costs of Free Appropriate Public Education: An Analysis of P.L. 99-457 Amendments, November 1986. (1986). Washington, DC: National Association of State Directors of Special Education (NASDSE).

Siemon, Dorothy. (1990). *Creative Sources of Funding for Programs for Homeless Families.* [Available from CASSP Technical Assistance Center, Georgetown University Child Development Center, 3800 Reservoir Road, NW, Washington, DC 20007, (202) 687-8635.]

Summary: Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, P.L. 100-297. (1988). Reston, VA: The Council for Exceptional Children.

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